

AS/AG(5)17

COUNCIL OF EUROPE
CONSULTATIVE ASSEMBLY
FIFTH ORDINARY SESSION

COMMITTEE ON GENERAL AFFAIRS

Fourth Session



PACECOM005866

THE FUTURE POSITION OF THE SAAR

Part One

*Some Historical, Legal and Economic Aspects
of the Saar Problem*

REPORT

submitted by

M. van der Goes van Naters, Rapporteur.

Strasbourg

20th August, 1953.

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PART ONE

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The following signs have been used in the statistical tables included in this publication :

- (,) separates figures when there are more than two.
- (.) indicates a decimal point.
- (-) indicates that the figure is zero.
- (..) indicate that the figures are not known or not available.
- (o) is used to indicate a round figure estimate.

The units used are those of the metric system unless there is a mention otherwise.

PREFACE

This Report has its origin in two Motions tabled in the Consultative Assembly of the Council of Europe by the German and Saar delegations in September, 1952, and in a request for inclusion in the Agenda of the question of "future position of the Saar", signed by 30 Representatives from eleven Member States. These were referred to the Committee on General Affairs by the Assembly on 17th September, 1952.

During the past year, the work of preparing this Report has steadily gone forward. It has not been easy; and your Rapporteur owes his thanks to the Secretariat-General for the help afforded him in preparing Part One of the Report. For the Second and Third Parts — as indeed for the Report as a whole — the Rapporteur alone is responsible. The Rapporteur would also like to thank all those in the different countries which he visited while preparing the Report for the help and advice they gave him.

A summary of the discussion of the Report in Committee and the text of the draft Resolution are to be found at the end of Part Three. During its next session, it will be for the Assembly to pass its verdict on the proposals made by the Committee on General Affairs. But, whatever may be the nature of the conclusion it reaches — whether near or far from the Committee's text — it is certain that in the Saar problem the Assembly is facing the biggest challenge and the biggest opportunity of its history. For, if it succeeds in finding a formula acceptable to the three parties principally concerned, if they agree to the convening of the Conference envisaged in the Committee's proposals, then the Council of Europe will have laid the corner-stone of the European Community.

M. van der Goes van Naters,
The Hague, 27th July, 1953.

A

**HISTORICAL ASPECT OF THE
SAAR PROBLEM**

I. — INTRODUCTION

1. *General remarks concerning the validity of this study.*

1. The most widely accepted view of the Saar to-day is that it is, both historically and ethnically, "*ein deutsches Land*". Thus M. Bidault stated in 1947: "We realise that the 800,000 Saarlanders are Germans"¹. This fact, however, has been held to leave unprejudiced the need for special arrangements in view of France's legitimate economic interests. More recently it has been held to be subordinate to the overriding claims of a European solution of the problem which will prevent it further hindering the construction of a United Europe.

2. If there is a general consensus of opinion concerning the nature of the Saar, but one which agrees notwithstanding that some special solution satisfactory to both parties must be found, then it is certainly inopportune to increase the area of disagreement by reviving long-resolved controversies. But it would be historically untrue to accept the bald statement that the Saar is historic German territory, without making certain reservations. These reservations are not, however, intended to serve as a basis for further controversy or partial quotation.

3. A yet more important caveat must be entered concerning the "lessons" to be drawn by either side from this historical survey. The conclusion reached in this study is that the Saar problem is only an instance of the age-old dispute over the Rhine frontier; that the historic German claim outweighs that of France, but that the French claim to influence in the Saar also has some historic validity; and that in consequence *the only lesson that can be drawn from the history of the Saar is that no absolute lesson can be drawn*. Indeed, the historian must go further and say that in this problem no valid "appeal to history" can be made at all. By implication, the interested parties can negotiate to-day only on the basis of what each regards as the minimum terms dictated by *present* circumstances. The only lesson that can be drawn from the history of the Saar is that, in formulating these minimum terms, neither side would be justified in placing great reliance on its historical claims. For these claims speak with an uncertain sound.

2. *Difficulties of source material.*

4. Some German writers have claimed that as the "Saar problem" dates only from 1919, a history thereof before that date cannot be written². This is to beg the question. A history of the Saar problem in the light of the Versailles Treaty can obviously be written only for the period since 1920. But *sub specie aeternitatis* the question cannot be divorced from the age-old dispute over the Rhine frontier. Of this dispute it provides a classic example. This means, however, that any study of the problem at once enters the realm of acute historical controversy.

⁽¹⁾ Interview given to the *New York Times*, 12th January, 1947. Quoted in *Materialien zur Saarfrage*, Vol. III, p. 18 (Stuttgart, 1949): cf. M. Abel Verdier's *Memorandum on France and the Saar*, Part II (Paris, 1947) quoted in the *Journal of Modern History*, University of Chicago, December, 1951, p. 369: "The Saarlanders are Germanic by race, language and custom".

⁽²⁾ e.g. Dr. Eberhard Menzel, *The Saar Question*. (Büro Bonner Berichte, 1952), p. 3.

"It must first be noted that there is no 'historical' Saar problem. The Saar is in no way a 'second Alsace-Lorraine'. The reality is quite otherwise. Whereas Alsace and Lorraine have changed hands frequently in the course of their history, and have truly undergone the fate of a frontier region, the Saar

5. French historians regard their country as the lineal successor of Rome, holding the *limes* against the barbarian hordes. Frankish Austrasia is considered to have been "*la France rhénane romanisée*"², and the imprescriptible claims of France are held to extend to the whole of the *regnum Francorum* of Clovis, *fondateur de la monarchie française*. German historians, on the other hand, regard the German national State of the 19th and 20th Centuries as the heir of the Holy Roman Empire, and therefore of the same Lotharingian territory. A recent German writer, Martin Steinbach, has completely reversed the French accusation of continued German aggression. He illustrates his thesis with a series of maps, beginning with the small area controlled by the French Kings in the Ile de France, and then showing how successive French Kings gradually "extended their grasp till it reached the Rhine"³.

6. Two fundamental difficulties must be borne in mind:

- (1) The incorrigible tendency of seeking to read back national claims into periods when such concepts were unknown. Nationalism in the modern sense did not exist until after 1789. The fact destroys the relevance both of the Holy Roman Empire and of the territory held by the Frankish Kings. It is not to be expected that this view will be accepted by either French or German nationalist historians; the whole of this essay is nevertheless based thereon⁴.

of to-day — with a very few exceptions — has always been part of the territory of the German State. These exceptions are to be found in the brief period during which the Revolutionary Armies and those of Napoleon advanced to the Rhine. Above all, the Saar, unlike Alsace and Lorraine, has not a mixed population. The minority problem, therefore, cannot be posed. The exclusively German character of the population is not in doubt, as is borne out by official French statements. It suffices to show how the politico-geographical notion of the "Saar Territory" dates only from Versailles to prove how false it is to speak of an "historical Saar question". The "Saar Problem" is therefore not the result of a long historical struggle, but is solely the political consequence of Germany's military defeat in the First World War."

It will be noted that the author raises four separate questions:

1. The ethnically German character of the Saar. This is not in doubt. Cf. paragraph 1 above.
2. That, except during the years 1792—1815, the Saar had always, until 1918, formed part of the German State. This raises two issues, of which the second is of much greater importance than the first:

- a) French influence in the Saar since the 17th Century has been more extensive than Dr. Menzel suggests (e.g. 1681-1697), cf. Chapter IV-VII below;
- b) the assumption that a German national State existed in the Middle Ages of which the Saar could form a part (cf. paragraphs 6, and 20 and Part Three, paragraph 5).

3. Whether the Saar territory as defined at Versailles can be regarded as deriving from whatever political unit may have existed in the region in the past. It is emphasised in succeeding chapters that until 1792 (with the exception of Louis XIV's conquests and the consolidation of the left bank of the Saar River during the 18th Century) the Saar in its geographical sense was divided between three principal suzerains: the Counts of Saarbrücken (themselves owing a shadowy allegiance to the Bishops of Metz), the Princes of Zweibrücken and the Prince-Archbishops of Trier. To these must be added the Dukes of Lorraine, who held the area between Tholey and Saarlouis, and the Counts van der Leyen, who ruled in Blieskastel from 1634 until the French Revolution. In other words, the Saar conformed to the pattern of feudal *Kleinstateerei* in the Rhineland as one would expect. Clearly none of these feudal possessions have any direct relation to the question of the Saar as an entity to-day. This derives from the homogeneity given to the Saar by its coal and steel industries (a 19th Century phenomenon), and the extent to which to-day the Saarlanders feel themselves to be in some sense a political entity in their own right capable of making a direct contribution to a United Europe.

4. Widely held though is the view among German writers that the historical problem is to see how the Saar came into existence as a separate entity, and whether this new community can point to valid historical or legal title deeds, as has been suggested above, the neutral observer sees the historical problem rather as an example of the dispute over the Rhine frontier. Of the three kingdoms carved out of Charlemagne's empire, the territory of only two was subsequently to see the rise of a nation state. It is true that such states eventually appeared at the extremities of Lothar's realm in the Netherlands, and later Italy; but the Rhineland itself became "debatable land", torn between the centripetal forces which developed on either side of the Rhine. Of this area, the Saar formed a part; in the perspective of the long struggle for its mastery, the history of the Saar can alone be written.

(²) Babelon. *Le Rhin dans l'histoire*, Vol. II, Introduction, p. ix (Paris, 1917).

(³) *Geschichte der Französischen Saarpolitik* (Bonn, 1934).

(⁴) This should be borne in mind continuously when considering Chapters II-V of this part of the Report. cf. *The Idea of Nationalism*, Hans Kohn. 2nd. Edition (New York, 1945).

- (2) The related error of thinking in terms of modern defined geographical frontiers. As late as 1774, there were 97 separate "States" in the Rhineland acknowledging the suzerainty of the Holy Roman Emperor. But this does not imply that even these "States" were single geographic entities. A ruler might possess land in areas entirely separated from one another. Equally, a territory or a village in the Middle Ages often had several overlords: four such might control a single mill. The world presented is one in which modern categories have no relevance; and the Rhineland is the area where the confusion was the most complete.

3. *Impossibility of achieving "impartial" history.*

7. Ranke's ideal of "objective" history, *wie es eigentlich gewesen ist*, is impossible to achieve. History is written by historians who cannot read all the relevant documents, and who interpret those they do study in the light of their own limited mental and emotional equipment. The essay which follows therefore can only be an attempt to approximate to the ideal. It is based on American, British, French and German sources, but references have been given only to those from which direct quotation has been made.

II. FROM THE CELTIC PERIOD UNTIL 1552

1. *The Gauls.*

8. The earliest inhabitants of the Saar Basin were the Gallic tribe of the Mediomatrics centred around Metz. This tribe divided the "Mosellane" with the Trevires, whose chief settlement was the area of Trier. No trace of their existence remains to-day, except in a few names of Celtic origin, such as the River Saar (Celtic Isar, or flowing water). The significance of these tribes is that they started the historic tradition of "lateral relationship" along the Moselle valley.

2. *The Romans.*

9. The Romans regarded the densely forested Saar as a centre of communications rather than of settlement, and there was no intensive Roman culture as there was around Trier. These communications, however, were vital for the safeguarding of the *limes*, and the town of Saarbrück¹ owes its origin to a military settlement built around the bridge constructed by the Romans.

3. *The barbarian invasions.*

10. These raise a fundamental difficulty of historical interpretation. German historians rightly point out that all the invading tribes were of Germanic origin. From this they conclude that the Frankish Kingdom, and, above all, the Empire of Charlemagne, must be regarded as the forerunner of the second and the third Reich. The French counter-thesis cannot be summarised so briefly. It admits the Germanic origin of the Franks, but claims that the conquered Gallo-Romans took them spiritually captive. The Franks inherited the cities, the communications, and, above all, the Roman Church. Their language became romanised, as did their sentiments and imagination. As a result, Clovis, proudly bearing the regalia of a Roman Consul with which the Eastern Emperor had invested him, came to regard himself as the defender of the frontier against the barbarians. And the *regnum Francorum* (which in the 6th Century included Bâle, Strasbourg, Metz, Toul, Verdun, Trier, Speyer, Worms, Mainz and Cologne) was orientated religiously, intellectually and economically towards Gaul. As opposed to this, the part of Germany beyond the frontier was never subjected to these Roman influences, and remained barbaric.

11. The French thesis is not entirely unconvincing, and the tendency of modern historical thought is to emphasise the importance of factors other than language in studying national origins. It is the phrase "national origins", however, that vitiates both arguments. In every paragraph of this essay it is necessary to repeat that to study history from the point of view of the present is to fall victim to an optical illusion. It assumes a teleology which makes each ensuing event inevitable. It suggests that people living many centuries ago thought in modern categories. If no nationalist lesson can be drawn from the fact that the Saar was part of the Frankish realm of Austrasia, then it is better to say so.

(¹) The earliest form of the word.

4. The "Middle Kingdom" of Lothar.

12. The most accurate picture one can form of Western Europe in the 9th century is of an area in which the different Kings were followed only by diverse tribal hordes lured by presents and the prospects of plunder. Of a national following for these Kings there was none. After the death of Louis the Pious in 840, Lothar refused to accept the division of the Empire agreed to at Worms in 839, and waged war against his two brothers, Ludwig der Deutsche, and Charles le Chauve. In this war Lothar was defeated. The resultant Treaty of Verdun (843) has become famous. It created three kingdoms, of which Lothar's stretched from Emden to Rome. The "Middle Kingdom" thus included the debatable land over which the "Franco-German" frontier was to fluctuate for more than 1,000 years to come.

13. It should be noted :

- (i) This division had nothing to do with nationality. It was arrived at in order to achieve financial equilibrium between the three "Kingdoms";
- (ii) The tradition of unity continued. Lothar wrote to Pope Leo IV that the Empire remained "non divisum, imo distinctum".

In this Kingdom, Saarbrück was the chief town of the *pagus Saraviensis* or the Saargau.

14. At the death of Lothar in 855, the "Middle Kingdom" was itself divided among his sons. Louis II inherited Italy and the title of Emperor; Charles, Provence; Lothaire II, the remainder. This remainder became known as Lotharingia. After the death of Lothaire II in 869, Lotharingia was again divided at the Treaties of Mersen (870) and of Ribemont (880). By the first Ludwig was allotted much of the "left bank" of the Rhine, including Bâle, Strasbourg, Trier, Metz and part of Toul; by the second, his son gained most of what remained of Lotharingia. This position, however, was reversed under Charles the Simple (911-925) who was elected to the Kingship of Lotharingia, which thus became incorporated for this period in the Kingdom of the West Franks. This fact was recognised by Henry the Fowler at Bonn in 921, but, following the deposition of Charles, Henry was himself recognised by the magnates of Lotharingia in 925. It is from this moment that some German writers claim that the area became definitely "German"; and in 1925 the inhabitants of the Saar celebrated the 1,000th anniversary of the event. Such a celebration was an anachronism. The reality behind these changes of overlord was not that of changes in national allegiance, which did not then exist, but the growing independence of the great magnates¹. This independence did not mean that the Frankish Empire had once been a coherent whole, which subsequently broke into fragments, but rather the reverse. Effective control depends upon a ruler who is able to transmit his orders by means of rapid communications and an efficient civil service. This did not exist in Europe between the fall of Rome and modern times. Following the barbarian invasions, the Frankish Emperors (especially Charlemagne) did succeed in exercising some degree of control over the areas they nominally ruled. But this control diminished as their nobility became successively territorialised and then feudalised. Thus, in the period which begins in 925, the important thing is not whether suzerainty was owed to the "French" Charles the Simple or the "German" Henry the Fowler, but the growing power of local Lotharingian nobles like Rainier, who, strong in the right of electing their King, had already deposed Zwentibold as early as 900. The picture all over Western

⁽¹⁾ L. Halphen: *Charlemagne et l'Empire Carolingien* (Paris, 1947). R. Parisot: *Le Royaume de Lorraine sous les Carolingiens*, (Paris, 1899).

Europe is of local nobles asserting greater and greater independence of their nominal suzerain, and at the same time gaining more and more effective control over their own immediate territories. In turn, the history of the ensuing ten centuries is of the gradual coalescing of these counties, principalities and dukedoms into the different nation-states. Until these nation-states can be said truly to exist, it is an anachronism to regard the Saar as "belonging" to either France or Germany.

15. Apart from ushering in the period of feudal lords who in practice were independent of their suzerain, the history of the "Middle Kingdom" suggests that it was an artificial creation lacking in real viability. Even in the 10th century, a strip of land some 1,000 miles long by 120 miles broad could not withstand the nascent centripetal forces from either side of the Rhine. Nor have subsequent attempts to revive the Kingdom succeeded, from the days of Charles the Bold to the French proposals for an independent Rhenish State made at the Versailles Peace Conference in 1919. This, however, is not to deny either the area's character of 'debatable land' or the continuing North-South, as well as lateral, tradition which still characterises what was the northern half of Lothar's kingdom.

5. *The first Counts of Saarbrück, and the Donation of Otto I.*

16. The critical date in the early history of the Saar is the year 951, when Otto I granted the town and castle of Saarbrück to Adalberon, Bishop of Metz. The Emperor's reasons for so doing were at once to reinforce the position of the Church (which had been seriously threatened by disorders in this area), and to grant a personal mark of favour to Bishop Adalberon. The letters making this highly important grant still existed as late as 1634, at Vic.¹ In 960, Otto I added thereto the manor of Blieskastel. On the 14th April, 999, Otto III confirmed these grants as follows :

"Ob remedium animae nostrae et ejus piam petitionem jam dictum juris nostri castellum cum praedio Fulkelinga nominato et Quirneiscet et Warenta² et cum omnibus ad jam dictum praedium pertinentibus villis, terris, cultis et incultis familiis utriusque sexus forestariis aecclesiis teloneis mercatis aquis piscationibus molendinis silvis et cum omnibus pertinentiis quae dici vel nominari possunt, sanctae Metensi aecclesiae et Adalberoni venerabili episcopo suisque successoribus ab hac praesenti die reliquum per hoc nostre donationis traditionis et confirmationis praeceptum in proprium donamus largimur et penitus confirmamus, eo videlicet ordine ut ipse suisque successores habeant teneant firmiterque possideant et fruantur, sed nunquam in beneficium transeat, omnium hominum remota contradictione et molestatione".

17. A further confirmation was given by Henry III in 1047, while in 1065, the young Emperor Henry IV converted the grant into one which gave the Bishop of Metz full possession of the territory, with the right of alienation. The Bishops of Metz, however, had little desire to be directly responsible for the administration of so turbulent an area. In 1019 it was therefore granted in fief to Sigebert³, who thus became the first Count of Saarbrück. The French historian, Babelon, claims that Sigebert ruled over Ottweiler and Zweibrücken as well.

(¹) Dom Meurisse : *Histoire des Evêques de Metz*, p. 312, cf. Ruppertsberg : *Grafschaft Saarbrücken*, Vol. I, p. 63.

(²) A German local historian, Hans Wilkens, has claimed that there is a "strong likelihood" that in the text of this donation (which no longer exists in the original, but only in a later copy) the reference to Völklingen, Quierschied and Warndt is an interpolation. (*Mitteilungen des Historischen Vereins für die Saargegend*, Volume 16).

(³) Sigebert came of the house of the Ardennes, as also did Bishop Adalberon.

6. *The House of Saarbrücken-Commercy, 1274—1381.*

18. In 1274 Simon IV married Mathilda, Countess of Saarbrücken, and thereby instituted a French ruling line. In 1277, he swore fealty to the Bishop of Metz for the investiture of the County. French historians have made play with the fact that Jean II (1342—1381) entered the service of the French King, Jean le Bon. It is true that he paid homage in return for a pension of 100 “*deniers d’or*” in 1352; was captured at Poitiers in 1356; became “*Grand Bouteiller de France*”; was sent on frequent diplomatic missions for the French King; and bought a house in Paris. But it is an exaggeration to say, “*Sarrebrück, fidèle à la tradition française et carolingienne, ne tourne pas ses regards du côté de l’Allemagne; ses comtes n’ont jamais cessé de se rattacher à la France*”¹. The truth is that, like all the petty Rhenish rulers, the Counts of Saarbrücken had but one aim in view: to retain control in their own hands. This they achieved by allying themselves now with one great lord, now with another. They did homage at the same time to the King of France, to the Holy Roman Emperor and to the Bishop of Metz. Little conclusion can be drawn from these manoeuvres.

7. *The House of Nassau-Saarbrücken.*

19. Jean II left only one daughter, Jeanne. By marrying her, Johann, Count of Nassau, instituted a dynasty which lasted until the French Revolution (1381—1797). One of the most interesting of this line was Elizabeth of Lorraine, who, after the death of her husband, ruled from 1429 until 1442. Her fame resides chiefly in having translated the story “*Lohier et Mallart*” from French into German, thus foreshadowing the long line of Lorraine men and women of letters who have understood and loved the culture of both Germany and France².

20. There is no need to follow the vicissitudes of the successive rulers. They swore fealty to the Bishops of Metz on various occasions between 1400 and 1609, and French historians claim that this proves that Louis XIV invoked no superannuated rights. This did not, however, prevent frequent conflicts with their nominal overlords, as in 1405, when Philip I declared war on the town of Metz. Relationships with the Emperor and the Kings of France varied equally. Thus John-Lewis of Nassau-Saarbrücken became Charles V’s commander-in-chief for the invasions of France, which the Emperor undertook, in alliance with Henry VIII of England, in 1521 and 1536. On the other hand, William-Lewis (1627—1640) fought for France in the Thirty Years War, and raised an infantry regiment for her armies from 1635 until his death.

(¹) Babelon. *Au pays de la Sarre*, p. 128 (Paris, 1918).

(²) Elisabeth’s tomb may still be seen in the choir of the Church of St. Arnual in Saarbrücken. The statutes of the ruling Counts of Saarbrücken and their wives to be found in this church throw an interesting light upon the history of the Saar.

III. — HENRY II AND THE CONQUEST OF THE THREE BISHOPRICS

1. *General nature of the period.*

21. From the accession of Henry II, the nature of the problem changes. Hitherto, it has been possible to ignore equally the far-reaching claims of German historians who regard modern Germany as the heir of the Holy Roman Empire, and of the French historians who talk of a "continuing policy of regaining the Rhine frontier" underlying the action of a Philip Augustus or a Philippe le Bel. But, with Henry II, something approaching a national State had come into existence in France. The area now known as Germany was still a mosaic of over 400 confused feudal territories, many of the rulers of which paid little heed to their nominal overlord, the Emperor¹. The clash from about 1550 onwards therefore becomes one between entities of a different kind. On the one hand, there was the Emperor relying on the old bonds of feudal allegiance. On the other, there was a national king. Germany could not tap the same national sources of power until Prussia made her a single State by conquest in 1866. This gave France a tremendous advantage in the struggle for the Rhine frontier during the three intervening centuries. The only reason for her failure was that the question became internationalized, first by the network of Hapsburg marriage alliances, and then by William III's accession to the English throne. This fact explains why the history of the Saar can be written only in relation to the successive French moves.

2. *The conquest of the three bishoprics : the "promenade d'Austrasie".*

22. In 1552 Maurice of Saxony, the other Protestant princes of the Schmalkaldic League, and the Imperial Free City of Strasbourg appealed to Henry II for aid against the Emperor Charles V, whose success as leader of the Counter-Reformation after the battle of Muhlberg threatened not only Lutheranism, but also the related cause of the territorial power of the princes. The French terms were that "the Princes should undertake to vote as Henry wished in the next Imperial Election, and connive at his conquest and administration as Imperial Vicar of the bishoprics of Metz, Toul and Verdun"². These terms were agreed at the Treaty of Chambord, and Marshal Vieilleville urged Henry that this "*vous ramène au royaume d'Austrasie, qui est de nos anciens roys*". More important was the failure of Charles V to retake Metz in 1553.

23. These acquisitions were confirmed at the Truce of Vaucelles in 1556, and at the Treaty of Cateau-Cambresis (1559). Final recognition did not however come until the Peace of Westphalia in 1648.

(¹) This is to emphasize one aspect only of the Holy Roman Empire, and in no way to deny the importance or the reality of its cultural and economic life. Moreover, even under an Emperor as impetuous as Maximilian, there was steady constitutional development, albeit this later proved abortive.

(²) *Cambridge Mediaeval History*, Volume II, page 271.

IV. — LOUIS XIV'S RHINE POLICY

1. *French claims kept alive by jurists.*

24. Under the impulse given to French national aspirations by Richelieu, jurists like Le Bret¹, Chantereau Le Febvre², and Jacques de Carson³, kept alive the claims similar to those of Marshal Vieilleville. They claimed that the rights of the last Carolingian rulers of France had been inherited by the later Capetian, Valois and Bourbon dynasties; cited the agreement between Charles the Simple and Henry the Fowler in 921⁴, and relied on the maxim that royal rights are imprescriptible. They concluded that these rights should be reclaimed.

2. *Richelieu and the Thirty Years War.*

25. Richelieu is the outstanding figure of French history who succeeded in giving a definite alignment to French policy. It is true that before his rule there had been some writing and some political action along the line of "regaining the Rhine frontier". Henry II's action is the most notable. But no one before Richelieu both provided a master plan and started to put it into effect. Thereafter the successive rulers of France had only to carry out the policy laid down in the preface to the Cardinal's "Political Testament"⁵, and the same principles reappear in the policy of Louis XIV, of Fleury and of Vergennes.

26. The Thirty Years War provided Richelieu with his opportunity. At its close, the Treaty of Westphalia gave to France the Austrian possessions in Alsace with some authority over ten Imperial cities (but not Strasbourg), while Lorraine continued in French occupation until 1659, and a pro-French Bishop had been installed at Trier.

3. *The Treaty of 1663.*

27. The old quarrel between the Counts of Saarbrücken and the Dukes of Lorraine over Saarwerden led Count John-Lewis to appeal to Louis XIV for aid. As a result, a treaty was signed in 1663, whereby French suzerainty was accepted, and thereafter the Count became Colonel of an Alsatian Regiment.

4. *The "Chambre de Réunion" of Metz.*

28. At the beginning of the Franco-Dutch war French troops occupied Saarbrücken (1672), and although they were subsequently forced to evacuate the territory, the Treaty of Nymegen (1678) left the legal claims of France intact. This was due to the fact that the Treaty of Munster (1648) had been taken as a basis, and Article 74 of that Treaty was obscure.

(¹) *De la Souveraineté du Roy* (1632).

(²) *Si les provinces de Lorraine doivent estre appelés Terre de l'Empire* (1643).

(³) *La Recherche du droit du Roy* (1645).

(⁴) *cf.* paragraph 14 above.

(⁵) Although it accurately describes the policy Richelieu followed, the *Testament* itself is now thought to be a forgery. The preface is probably genuine. Advocacy of the same policy is to be found in *Conseil au Roi* (1629), which undoubtedly came from Richelieu's hand.

*“Premièrement, que le suprême Domaine, & tous les autres Droits sur les Evêchés de Metz, Toul & Verdun, et sur les Villes de même nom et leur finage, nommément sur Moienvic, lesquels appartenient cy-devant à l’Empire, apartiendront à l’avenir à la couronne de France, et lui devront être incorporés à perpétuité irrévocablement, sauf le droit de Metropolitain; qui appartient à l’Archevêque de Trèves”*¹.

As will be seen, these provisions included not only the cession of Metz, Toul and Verdun but also of their dependencies or jurisdictions (“*finage*”). But the treaty nowhere laid down how far these “*finages*” extended. Croissy and Louvois advised Louis XIV that herein lay a firm legal basis for claiming all those lands which had ever owed feudal allegiance to the bishops.

29. Louis XIV therefore set up a “Chambre de Réunion” at Metz to investigate these claims. This the lawyers of Metz did to such good effect that they reunited the whole of the Saar Basin to France². Countess Eleanor of Nassau-Saarbrücken was constrained to go to Metz and do homage in 1681, and in 1684 the claim was recognised as valid by the Imperial Diet of Ratisbon. The area thereupon became the “Province de la Sarre” with de la Goupillière as Intendant, and Saarlouis was built by Vauban as the key fortress to close the Moselle-Vosges gap.

30. French rule in the Saar lasted from 1681-1697. Following the check of Louis XIV in the war of the League of Augsburg, all the gains of the “Chambres de Réunion” were given up at the Peace of Ryswick (1697), except Strasbourg, Landau and Saarlouis, and these losses were confirmed by the Treaty of Utrecht.

5. Criticism of Louis XIV’s policy.

31. The French claim to the Saar in law was far stronger by virtue of the donations made to the Bishops of Metz by successive Emperors³ than by any shadowy rights the Bourbons might have inherited from the last Carolingian kings of France. Two distinct issues are raised thereby:

- (i) German historians refuse to allow validity to the unilateral method of settling an international question by means of a national “Chambre de Réunion”, in which Louis XIV was at once party, judge and executioner. To this French historians reply that it was a perfectly normal procedure to demand the execution of legal rights before a tribunal, and quote many instances of this; nor, they add, had the rights long fallen into desuetude⁴.
- (ii) The most serious German criticism is that in any case only the citadel and château of Saarbrücken had been fiefs of the Bishops of Metz, with perhaps the château of Volklingen, Quierschied and Warndt in addition⁵. German historians claim that the main portion of the country — the towns of Saarbrücken and St. Johann — was a free-

(1) « *Traité de Paix entre l’Empereur, la France et les Electeurs, Princes et Etats du Saint Empire conclu à Munster en Westphalie le vingt-quatre octobre 1648.* » Recueil de tous les traités de Paix faits et conclus pendant ce siècle entre les Protestants de l’Europe, p. 39 (à Paris, par les Imprimeurs Associés, MDCXCVIII).

(2) *cf.* the donation of Otto I, see paragraph 16 above. The area included the countries of Saarbrücken, Homburg, Zweibrücken, and the bailiwicks of St. Wendel, Blieskastel and Merzig.

(3) See paragraphs 16—17 above.

(4) *cf.* paragraph 20 above.

(5) See footnote (2) to paragraph 16 above.

hold estate held directly from the Emperor¹, while the estates of Blieskastel² and Zweibrücken never belonged to the Bishops of Metz, but to the Bishops of Trier. French historians deny these assertions and point to the ratification of the findings of the *Chambre de Réunion* by the Imperial Diet itself at Ratisbon in 1684.

32. These disputes, however, seem to be beside the point. Whether the French or German interpretation of the area which owed allegiance to the Bishops of Metz is accurate, it is questionable whether much weight can be attributed to any such claims in the late 17th Century. It would be more honest to reject them as anachronistic, in the same way that, in an inverse sense, little validity has been attached to claims for the existence of German or French national sentiment in the early Middle Ages. Louis XIV's policy in this respect after 1680 is now generally regarded as one of aggression fired by personal ambition, and only cloaked by legal claims, which (perhaps dubiously) exploited the vague wording of the Treaty of Munster. This view coincides with the general consensus of European opinion at the time³, which was sufficient to lead to Louis' defeat by a European coalition.

33. The feeling of the people of the Saar was largely hostile to France in the 18th Century, partly as a result of the religious persecution which followed 1680⁴ but more particularly because of the devastation of the Palatinate by Turenne in 1674. This hostility must be weighed against the strong attachment of successive 18th century Counts to the French Court.

(¹) Kloevkorn *Das Saargebiet, seine Struktur und seine Probleme*, p. 73 (Saarbrücken, 1929).

(²) The ownership of this estate in the 13th and 14th centuries had swung back and forth, sometimes in pawn, sometimes in outright ownership, between the Counts of Salm, the Bishops of Metz, the Dukes of Lorraine, the Counts of Saarbrücken and the Bishop-Electors of Trier. In 1634, the Elector of Trier gave the "Amt" to the family van der Leyen, which extended its holdings on both sides of the Blies river as a fief of the Bishopric of Trier.

(³) cf. Vauban — *Dîme royale*, 1709.

(⁴) cf. Revocation of the Edict of Nantes, 1685. When in 1574 the direct Nassau-Saarbrücken line of rulers had come to an end, the title passed to a Protestant branch of the Nassau family, that of Nassau-Weilburg. On the principle of "*cujus regio, ejus religio*" a certain number — but never a majority — of the Count's subjects had become Protestants.

V. — THE SAAR DURING THE 18TH CENTURY

1. *General French policy: Lorraine.*

34. The Rhine policy had been perhaps the most defensible of Louis XIV's objectives — more so than his attempted conquest of the Netherlands, or his claim to control Spain and achieve general European hegemony. In spite of its apparent defeat in 1697, this Rhine policy was continued by less obvious means throughout the 18th. Century. The key date in the process is 1766, when Lorraine finally became French territory. This, in the French view, rescued the town of Saarlouis from her isolation.

2. *Other grants of land to or by France during the 18th Century.*

35. In general, the aim was to consolidate the line of the Saar river. The chief dates which marked this process are as follows:

- (i) 1766: Puttlinge-Creange was exchanged for the Abbey of Wadgasse and part of Saarwerden.
- (ii) 1767: By Article 17 of the treaty with Austria Louis XV surrendered French rights to the right bank near Perl.
- (iii) 1778: A treaty with the Elector of Trier ended the joint sovereignty over Merzig, by dividing the territory according to right and left bank.
- (iv) 1781: A similar exchange to that of 1778, this time with the Count of Blieskastel.
- (v) 1778, 1782 and 1788 agreements which gave Tholey to the Princes of Zweibrücken.

36. By 1789, the process was nearly complete, apart from leaving the French in occupation of Castel, near Trier, and the Dukes of Nassau-Saarbrücken holding Saarwerden in Lorraine.

3. *Francophil tendencies of the 18th century Counts.*

37. (i) William-Henry II (1716-1768) made his career in the French army, rising to the rank of Lt. General, and receiving the "Grande Croix du Mérite militaire". In 1767 he was granted a pension of 100,000 livres to maintain two regiments.
- (ii) Louis (1768-1794) spent most of his time in Paris, until the Revolution drove him into exile.

38. It is only fair to add, however, that francophil tendencies were common to almost all European aristocratic families in the 18th Century. During the same period the Counts of Nassau-Saarbrücken raised four regiments for France: two of cavalry and two of infantry. These proved brave soldiers, and one of the infantry regiments fought under Montcalm at Quebec¹.

(¹) In the absence of modern national sentiment, the raising of such mercenary troops was a frequent practice among the smaller — and often financially embarrassed — eighteenth - century rulers.

4. *Economic development of the Saar.*

39. William-Henry II was an enlightened despot who built the Rathaus and the Ludwigkirche in Saarbrücken, and encouraged the coal, iron and glass industries, but imposed many petty restrictions. It was not until the discovery of steam, towards the middle of the 18th century, that the value of the coal deposits were realised. Even then it was extracted only by galleries, no shafts being sunk until 1822. In the 18th century the metallurgical industry was more important: the iron foundries at Geislautern, St. Ingebert and Neunkirchen, which Goethe describes in "*Dichtung und Wahrheit*", and the first steel manufacturing plant at Dillingen, which was bought by the brothers Gouvy in 1765¹. (The brothers Stumm founded their Neunkirchen plant considerably later, in 1806). These economic resources are important because they played their part in the French armament programme for the revolutionary wars, and became a subject of controversy at the Peace Conference in 1815 (*q. v.*). Their existence is a useful corrective to the view that there was little industrial development before the 19th century². The enlightenment failed to penetrate the people, but conditions were so similar to those in France that the Revolution was bound to be widely accepted.

(¹) This plant had been founded originally as early as 1685 by the Marquis de Lénécourt. *cf.* Section C of this Report, foot note 5 to para. 365.

(²) *cf.* J. U. Nef: *War and Human Progress* (Harvard, 1951).

VI. — THE REVOLUTION AND THE FIRST EMPIRE IN THE SAAR. THE TREATIES OF 1814 AND 1815

1. *The early days of the Revolution.*

40. German writers have tended to ignore the years 1789-1792, and emphasise the resistance to French rule which arose in the years that followed¹. This is to do injustice to the tremendous wave of enthusiasm which swept the Rhineland when they saw that the knell had been sounded of the *ancien régime* of priest and King. Following the French example, the peasants of the Saar sacked the great abbeys like Wadgasse and forced their Duke to surrender his feudal privileges. There is some truth in the claim of the French historian, Babelon :

« *C'est avec lyrisme chaleureux que les populations cis-rhénanes accueillèrent en 1792 les soldats du Dumouriez tout le long du Rhin.* »²

2. *The Reign of Terror instituted by the Convention.*

41. This initial enthusiasm for the French troops who occupied the Saar in 1792 did not long survive. The Convention sent four Commissioners to rule the territory, who proceeded to despoil the whole populace. One, Hentz, burned the entire village of Kusel for showing insufficient revolutionary fervour ; jointly the Commissioners forced the exchange of gold coin for assignats, installed the guillotine in Saarbrücken, and confiscated property. When the continual passage of armies living entirely off the country is added to these deprivations of the Commissioners, it is small wonder that the people were near revolt by the end of 1793. Babelon does well to admit : “*Nous étions transformés de libérateurs en monstrueux oppresseurs*”.³

42. As a result of many complaints, the Convention sent two officials to investigate the situation in the summer of 1793. Headed by Purnot and Rolland, their report confirms the tale of terror and rapine :

« *Si l'on a fait la guerre aux châteaux, la paix n'a pas été accordée aux chaumières.* »⁴

After this enquiry, the first Commissioners were replaced, and the régime in the Saar became more liberal.

(¹) e.g. Franz und Alfred Ecker : *Der Widerstand der Saarländer gegen die Fremdenherrschaft der Franzosen, 1792—1815* (Saarbrücken, 1934). On the other hand cf. the more balanced appreciation in Hermann Oncken, *The Historical Rhine Policy of the French* (New York, 1923), p. 33 :

“The simple truth is that in the sections of Germany which they occupied the French broke up a backward world of feudal territories with a superannuated class system, a crippled form of public life, and stagnant economic conditions. What they put in place of this decaying order meant, in more than one respect, political progress, for they abolished feudal burdens and promoted equality before the law, material prosperity, individual freedom, and territorial consolidation. That these innovations were gratefully accepted goes without saying, especially as the Rhinelanders of those days were not members of a genuine national commonwealth. For the German Empire as a whole was no whit better or more alive than the antiquated principality to which the individual German was immediately attached”.

(²) *op. cit.*, p. 160.

(³) *op. cit.*, p. 167.

(⁴) Report p. 4 (June, 1793).

3. *The demand for union with France. How far was it real?*¹

43. In spite of the early disenchantment with republican rule, the power of attraction exercised by the ideals of the Revolution led to several requests for union with France. Thus, on 13th November, 1792 an address was read to the Convention from the citizens of Saarbrücken and seven other communes:

“*La France est notre ancienne famille. Nos relations commerciales et la conformité de langue semblent nous placer naturellement dans le département du Bas-Rhin.*” (*Archives Parlementaires 1^{re} série, LIII 1418*)².

Republican Clubs were founded, freedom trees planted, and cockades widely worn in the streets.

44. The population remained loyal to their exiled ruler (who had escaped two days before the order of the Convention arrived to send him to the guillotine) and sent a gift of 40,000 florins to support him.

45. Those who violently supported union with France represented a small minority, the intellectuals, and those who had profited from the sale of sequestered lands. Nor were the Republican Clubs widely representative. Dumouriez wrote in his *Mémoires*:

“A few clubs of disreputable citizens, which could have existed only with the change of government, were supported in every town by the Jacobin soldiers spread through the army. Their violent deliberations quickly acquired the force of law; they did not even trouble to hold a vote, they threatened and forced”³.

4. *Was French policy purely one of territorial aggrandisement?*

46. German historians have suggested that this is the case, but the contention is biased. The advance of the French armies all along the Rhine after Valmy must be seen as part of the great struggle of the Revolution to defend itself against the representatives of the *ancien régime* who were seeking to crush it. It was different in kind from the wars of Louis XIV that had preceded it, and the wars of Napoleon that followed; it was a genuine attempt to give to all Europe the liberty, equality and fraternity which France had won for herself. However, for some the only equality offered was that conferred by the guillotine; and the middle-class leaders of the French Revolution certainly adopted Richelieu's concept of the “natural frontiers” of France. Thus Danton declared at the tribune on 31st January, 1793:

“I say that it is vain to fear too great an extent to the Republic. The limits of France are marked by nature. We will reach them at four points: the Ocean, the Rhine, the Alps and the Pyrenees”⁴.

5. *The Rule of the Directory, 1795—1799*

47. The Saar remained under military occupation until 1797. In that year the Directory installed a civilian administrator, although the formal recognition of

(¹) *cf.* paragraph 50 below.

(²) Such requests also came from towns well into Germany. *e.g.* the request from the people of Mainz, 3rd November, 1792.

(³) Quoted by Lavallée *Les Frontières de la France*, p. 130, note 2. 11th ed. (Paris, 1919).

(⁴) Quoted by L. Gallois, *Comité d'Etudes*, I. 46.

French rule in the Saar was not achieved until the Peace of Lunéville (1801). (Prussia had recognised it in 1795 at the Treaty of Bâle, Austria in 1797 at Campo Formio.)

48. The Saar was divided among several departments, which must be regarded as areas of purely administrative significance. Thus, Saarlouis became part of the Department of the Moselle (1790), with Metz as the chief town, and Briey, Saarguemines and Thionville as *sous-préfectures*. Sarrebourg became a *sous-préfecture* in the "Département de la Meurthe" (1790). Saarbrücken and Bliesgau became part of an elongated strip of territory known as the *Département de la Sarre*. It stretched northwards beyond Trier, which was its chief town.

49. Of the series of agents sent by the Directory to rule the territory, the one who showed most concern for the welfare of the Saarlanders was the brilliant young General Hoche. He established freedom of the press, recalled the dismissed local officials, reduced taxation and ensured religious toleration. Unfortunately he died in September, at the age of 26, after a rule of only seven months. The civilian government which succeeded him under Rudler did, however, show increased regard for the welfare of the population. In particular, encouragement was given to the development of industry. The war also gave impetus to the growth of manufactures (*e. g.* the factory of the brothers Gouvy at Wadgasse) and a beginning was made on the "*routes impériales*" later completed by Napoleon.

50. The French administration made a determined attempt to persuade the people to vote for annexation by France. An analysis of the voting in this, the first of the Saar plebiscites, has been made recently by an American scholar upon the basis of the tax census of 1798, showing that of the 259,477 who were enfranchised (out of a total population of 1,297,385)¹, only 36,735 — or 14 % — voted in favour of annexation². The records of the French officials acknowledge disappointment, and it cannot be said that the Saarlanders sought annexation.

6. *The Consulate and Empire, 1799—1814.*

51. In 1800 the Prefectoral system was instituted, and in 1801 the four new departments became an integral part of France. Napoleon showed (ill-repaid) generosity to the exiled Nassau princes, compensating them with extensive lands on the right bank of the Rhine.

52. Babelon has asserted that Napoleon's visit to the Rhineland in 1804 was hailed with "delirious joy". This is an exaggeration, but Miss Wambaugh is probably accurate in saying: "there seems little question that enthusiasm was strong for Napoleon in the valley of the Saar, Moselle and Rhine, as it was throughout France"³.

53. Napoleon visited the Saar frequently (1806, 1807, 1808, 1812 and 1813), and showed a personal interest in the development of the foundries, the mines and the mining-school at Geislautern. The inhabitants showed great loyalty to him, sending an address to the Emperor on the morrow of the battle of Leipzig. The most notable example of loyalty to the Emperor was provided by the citizens of Saarlouis, who refused to surrender in spite of the issue of Waterloo. They held out until 30th November, 1815, and French writers have bemoaned the fact that the only reward they received for their heroism was to be surrendered to Prussia.

(1) The Constitution of the Year III, adopted by the Convention on 23rd September, 1795, had abolished universal suffrage in favour of a limited franchise, which was also applied in the Saar.

(2) L. G. Cowan: *France and the Saar*, p. 38 (Columbia, 1951).

(3) Miss Wambaugh: *The Saar Plebiscite*, p. 29 (Harvard, 1940).

54. The decade was one of great industrial progress, stimulated by road building and the exclusion of English metal goods by the Continental system. Coal production increased 300 %. The abolition of feudal restrictions also helped greatly, and German historians such as Ruppertsberg admit that considerable economic advantages accrued to the Saarlanders as a result of French rule.

7. *The Peace Treaties of 1814 and 1815*¹.

55. Article 3, para. 4 of the Treaty of 30th May, 1814, accorded to France the territories she had held on 1st January, 1792. This decision left France the whole of the Saar Basin except Ottweiler, St. Wendel and Merzig. In achieving the line of the Saar river "*Vergennes avait pu se reconnaître dans cette œuvre de Talleyrand*"² but more important was the retention of the vital coal mining area. *It is important to realise that even in 1815, the issue in the Saar depended on strategic and economic, rather than ethnic, factors.* The strategic factor of the "gap" between the Vosges and Moselle rivers is wellknown. If the Rhine frontier could not be secured, then the river Saar, with Saarlouis as its key, formed the next best barrier. The contention of the English historian, Sir Charles Webster, that "the economic, as distinct from the strategic importance of the Saar valley, was not known at the time"³, cannot be accepted. As early as 1795, one of the Commissioners of the Directory observed in a report to the Committee of Public Safety :

"in view of the location and value of the mines, factories, and immense forests, the Saar is probably worth several departments to the Republic".

Similar evidence is found in a pressing letter from the Director of the Geislautern school of mines sent to the Duc de Richelieu in 1815, urging him not to surrender the territory⁴.

56. After Waterloo, the Allies were in no mood for concessions, in spite of counsels of moderation from Wellington and Castlereagh'. The chief purpose of the victorious Powers was to prevent a fresh outburst of French imperialism. Thus, a united Holland and Belgium formed a barrier in the north, while Prussia, and to a lesser extent Bavaria, were called upon to protect the Rhine. By the second Peace of Paris of 20th November, 1815, the Saar was given in its entirety to Prussia (except Forbach)⁵. What would have astonished the negotiators at Vienna was the suddenness with which the balance of power tipped against France, so that by 1871 the country that had seemed a useful check to imperialism had in turn become a menace. This indeed had been foreshadowed in 1815 by the Prussian demand for Alsace and Lorraine as well. In France, the loss of the Saar alone was neither forgotten nor forgiven. Immediately, this derived from a desire to wipe out a painful reminder of the price paid for the defeat at Waterloo; later it found a motive in the high tariff rates imposed on Saar coal, which partially crippled the Lorraine iron industry⁶. But, after Sedan, Frenchmen saw in retrospect that they had left the way wide open for invasion. As Lavallée bitterly remarks: "The truth is that these rags of territory gave away the military entrances to France ... the keys of our house"⁷.

(¹) See map page 26 below.

(²) Vidal de la Blanche *Le Bassin de la Sarre*, p. 26 (Paris, 1920).

(³) Sir Charles Webster, *The Foreign Policy of Castlereagh, 1812—1815*, p. 475 (London, 1931).

(⁴) Arch. Nat. F. 14, 1178; quoted by Vidal de la Blanche, *op. cit.*, p. 21.

(⁵) By the Austro-Prussian Treaty of Munich, signed on 14th April, 1816, Bavaria secured the Bleisgau or Saarpfalz.

(⁶) "On the average a French steel works paid from 50 % to 60 % more for its coke than a British or German works." J. H. Clapham, *The Economic Development of France and Germany, 1815—1914*, p. 238, 4th ed. (Cambridge, 1936).

(⁷) Lavallée, *op. cit.*, p. 287.

57. Twenty years of French effort to inculcate French culture had had little effect on the Saarlanders, and the difficulties that arose in assimilating the Saar in Prussia after 1815 came from different causes¹.

8. *The attitude of the Saarlanders in 1814—1815.*

58. Hitherto in this essay little mention has been made of the feeling of the inhabitants. This has been deliberate for two reasons. The first is that to consider the language spoken by the Saarlanders as the sole guiding factor is to ignore factors of much greater importance. The second reason is that, in general, the feelings of the "people" were nowhere vocal in Europe until after the French Revolution. Thus up to the French Revolution it is justifiable to concentrate attention on the changing alliances of the successive rulers of the Saar, which left the people comparatively unmoved. Thereafter, the attitude of the people of the Saar must be increasingly taken into account. At the same time, a caveat must be entered lest the pendulum swing too far in the direction of "self-determination". The historian sees the Saarlanders as a people small in number, whom fate has placed on a territory of vital interest to the whole of two great neighbouring States. This implies that *the true "unit of determination" is not the population of the Saar alone, but the population of France, of Germany and of the Saar combined.* Within this large unit, the Saarlanders represent only a small minority. In the 19th century the fact which preoccupies the historian is that one of the two great peoples concerned came to feel that their safety had been endangered by the settlement of 1815. In comparison with this major fact, the details of the settlement are of secondary importance.

59. Moreover, no issue is more hotly contested between French and German writers than the true feelings of the population in 1814—1815. On 18th June, 1814, Stein wrote to Hardenberg :

"It is striking to see the inclination of that city (Saarbrücken) to the German Fatherland, and with what depths of emotion its people feel the return to French domination"².

But Böcking was able to collect only 345 signatures from the 5,500 inhabitants of Saarbrücken for the famous petition sent to the negotiators at Vienna requesting the incorporation of the Saar in Prussia. French historians have analysed these signatures, and claim that many of them came from the same families, or were employees in the Stumm works (which Böcking directed). The truth seems to be that there was no widespread acclaim for Prussian rule, a thing alien to the Rhineland temperament. Böcking's group at Saarbrücken were more vocal than representative. This does not mean, however, that the mass of the people viewed the passing of French control with passionate regret. Here again, the vocal minority, as in Saarlouis, is misleading. Although they had both been roused by the "War of Liberation" in 1813, and had appreciated Napoleonic order, the Rhinelanders were essentially apathetic, and lacked political experience. Their chief concern was that their government, whether French or German, should ensure order and respect their particularist traditions and customs.

9. *General summary of the period of French rule, 1792—1815.*

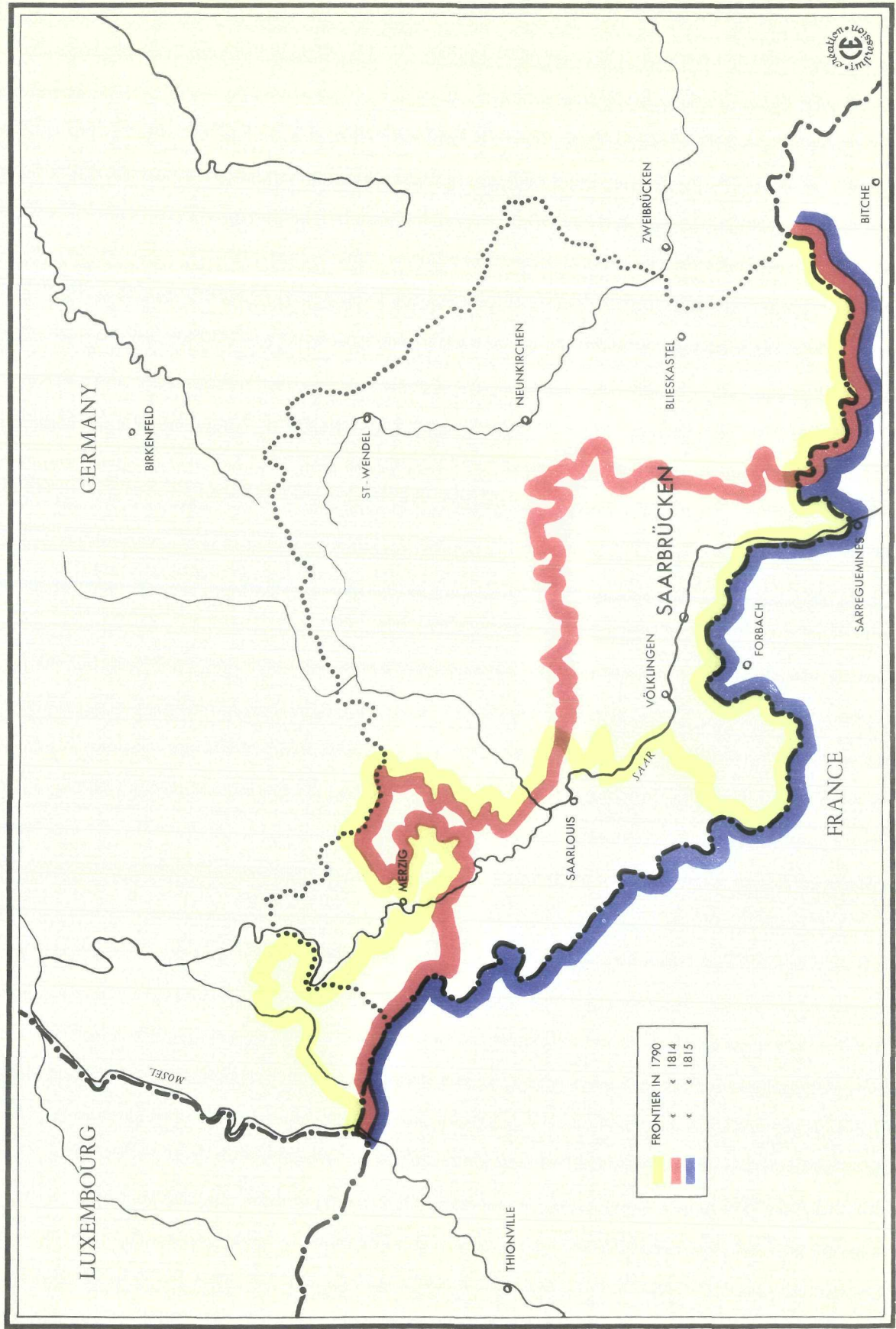
60. (i) Feudal dues and privileges had been abolished ; church lands had been sold to the peasants ; a single modern State had been created.

⁽¹⁾ see paragraphs 61—64 below.

⁽²⁾ M. Lehmann : *Freiherr von Stein*, Volume III, p. 375.

- (ii) The administration under the Préfets Saint André and Lezay-Marnésia after 1802 contrasted favourably with the pillage under men like Hentz in 1793. This good order was deeply appreciated by the Saarlanders, as was the "*Code Napoléon*" (introduced in 1807). Less appreciated was Napoleon's efficient system of taxation, and the loss in human lives caused by his wars.
- (iii) Reference has already been made to the great economic progress achieved in the years 1800-1815. This reflected not only the war-time stimulus to production, but also the far-sighted measures of suppressing internal customs barriers, freeing Rhine navigation and a mass of other liberal measures designed to foster trade.
- (iv) Napoleon's attempts to introduce French into the educational field failed, but education was made available to a far greater number of children than before 1789.

FRANCO-GERMAN FRONTIERS IN THE AREA OF THE SAAR IN 1790, 1814 AND 1815



VII. — THE SAAR 1815—1918

1. Prussian Policy in the Saar.

61. Before 1815, Prussia had benefited from the rule of liberal statesmen such as Stein and Hardenberg. Thereafter Frederick William IV became the arch-ally of Metternich and the pillar of reaction. The policy of Prussianization and the Carlsbad Decrees met with increasing opposition from the Rhineland liberals. Their reaction showed itself in demands for autonomy, and attempts to keep French institutions — not for love of France, but to avoid Prussianization.

62. The chief objects of dispute were :

- (i) The *Code Napoléon*. In spite of Prussian efforts to replace it, (in 1815, 1824, 1831, 1837, 1838, 1843 and 1845), local feeling ensured its retention until 1900¹.
- (ii) The Church. A leading Rhineland liberal summed up the position "the population was almost exclusively Catholic, while the word Prussian was synonymous with Protestantism". The battle that ensued may be regarded as prelude to the *Kulturkampf*, and its bitterness was focussed by the arrest of Archbishop Vischering in 1837. Protests followed from all over Europe, and the Prussian Government had to give way, leaving behind a wave of anti-Prussian feeling which largely destroyed the good-will created by the "War of Liberation".

63. The Saar benefited from the economic measures taken by the Prussian Government, but it was not until the construction of railways in the '50's that the Saar mining industry found an adequate market. This position was further improved by the opening of the Saar coal canal in 1866.

2. How much pro-French feeling existed in the period 1815-1870 ?

64. A whole series of French historians writing during World War I assumed that the majority of the population lived for return to the arms of France². This is to confuse hatred of Prussia with a desire to return to France. That this hatred existed in the early decades of the century is clear. Thus, an observer like Genz wrote in 1819: "*les Prussiens sont universellement haïs par la population*". It is also true that in Saarlouis pro-French sentiment remained very strong throughout most of the 19th Century: in 1830, for instance, of 79 conscripts for the Prussian army, 59 deserted to join the French army³. These facts do not, however, prove the French contention. It cannot be over-emphasised that the Saarlanders felt themselves a border people chiefly concerned with peace and quiet. Their inclination was therefore to accept whatever government they might have, provided it did not interfere with their Rhineland particularism. Neither love of Prussia nor a passionate desire for re-incorporation in France can be detected after 1815. On the other

(¹) Some German authors have claimed this was really due to the difficulty of working out a Code for the whole of Germany.

(²) e.g. Julien Rovère: *Les survivances françaises dans l'Allemagne napoléonienne depuis 1815* (Paris, 1918).

(³) French influence declined rapidly after 1840, though Babelon is right in asserting that there was a considerable Francophil movement in Saarlouis in 1848. This, however, was the last; and little hope could have been rationally entertained by Francophil elements after the Treaty of Frankfurt.

hand, German historians are right in pointing out that it was natural that the Rhinelanders should, at first, have found it difficult to accept their new Prussian masters: if the language was the same, the culture, religion and characteristics of the two peoples were entirely different. These differences, however, were gradually eliminated during the period 1815-1870, first by the passage of time, secondly, by participation in the German industrial revolution and the resultant immigration into the Saar, and, thirdly, by the growth of a common nationalism¹.

3. How far did regaining the Rhine frontier dominate French policy 1815-1914?

65. In a recent doctoral thesis, Mr. Cowan² has claimed: "the rectification of the boundary can be seen behind every turn of French diplomacy from 1820 on" and German writers like Oncken suggest that "the faces of the men of the Restoration were turned meaningfully towards the Saar Basin"³. The error of this thesis is that it attributes to French foreign policy greater consistence than it in fact possessed. True, it was an idea never far from the mind of Chateaubriand (cf. Memorandum to La Ferronnays, 1828), and fervent but fruitless attempts were made by Louis Philippe to gain Rhenish compensation for his intervention in Belgium in 1831; but it is erroneous to suggest that Napoleon III pursued any consistent policy at all⁴. Too much weight must not be attributed to the *obiter dicta* of Count Goltz, the Prussian Ambassador in Paris⁵. After Prussia had defeated Austria at Sadowa in 1866, the position changed, and a whole series of wild-cat schemes were mooted by the French Foreign Office, the publication of which by Bismarck in 1870 did much to ensure English neutrality (e. g. Rouher's memorandum of 16th August, 1866). The desire to regain the Saar, and indeed the whole left bank of the Rhine, played its part in causing war in 1870⁶.

66. Until the war of 1870, the French had profoundly underestimated the growing power of Prussia. Considerations of expansionism and economic advantage therefore influenced French policy towards the Saar, rather than a desire to safeguard her frontiers. After 1871 all this changed, and French desires were limited to a return of Alsace and Lorraine and the establishment of a defensible frontier (the occupation of the triangle Thionville, Saarlouis and Bitsche gave the Prussian Staff control of the "gateway" into France). The French diplomatic documents of the period published since 1930 prove that French policy was not dictated by a permanent desire for revenge. But even if defensive, French aspirations in the Saar pass out of effective politics from 1871 until the victory of the Allied Powers in 1918.

4. The First World War.

67. The Saar benefited greatly from the Union with Lorraine after 1871⁷ and played an essential rôle in the German war economy. The population provided

(¹) cf. paragraph 67 below.

(²) *France and the Saar 1680—1948*, p. 73 (Columbia, 1951).

(³) Oncken, quoted in Grabowsky *Die Grundlagen des Saarkampfes*, p. 36 (Berlin, 1934).

(⁴) Napoleon III did, however, make the distinction between the "Greater Rhine" — which meant the whole natural frontier — and the "Little Rhine" — which meant the valley of the Saar. In Mr. A. J. P. Taylor's view, the Saar was a perpetual reminder to France of the humiliation of the Hundred Days and Waterloo. Its recovery would have effaced that memory by undoing the terms of the Second Peace of Paris, and returning to those of 1814.

(⁵) Vide Oncken: *Die Rheinpolitik Kaiser Napoleon III von 1863 bis 1870* (Berlin, 1926).

(⁶) But not the immediate, nor the chief, rôle. This, it is now generally agreed by historians, was played by the Empress, Gramont, Persigny and their associates, who hoped to restore a tottering régime by victory over an enemy whose military strength they had underrated. In Paris, only Thiers kept his head but in the provinces opinion was solidly against the war. cf. *Histoire diplomatique de 1648 à 1919* (pp. 425—427, Droz (Paris, 1952)). Napoleon III, A. Guérard (New York, 1946).

(⁷) The use of Lorraine "minette" ore was made possible only by the rapid development of the Thomas dephosphorization process after 1878.

conscripts without complaint, and, indeed, as a result of a century's rule by Prussia and considerable immigration from that country¹, had taken on a consciously German nationalist outlook. German nationalism had been much later in development than the French, if only because German unity was not achieved until 1866. As a result, the Saar was part of Germany at a time when Germany was undergoing the normal initial phase of crude nationalism. This nationalist sentiment survived the defeat of 1918, and accounts for the opposition which the International Regime met from the Saarlanders. After defeat in the Second World War, the German nationalist sentiment in the Saar had been largely destroyed, and to-day the Saarlanders' attitude is far more akin to that of 1815 than to that of 1918.

(¹) The development of the mining and steel industries in the Saar greatly stimulated this movement. During the whole period 1815—1914, it has been estimated at over 200,000 (Capot-Rey *Quand la Sarre était française*, Paris, 1928). Together with a large increase in the birthrate as compared with the rate of mortality, owing to modern medical and sanitary provisions, the total population of the Saar increased from 159,000 in 1815 to 692,000 in August, 1914. *cf.* Section C, paras. 312-314.

VIII. — THE SAAR SETTLEMENT AT VERSAILLES¹

1. Initial French occupation policy.

68. The French army of occupation under General Andlauer, an Alsatian, was instructed to act upon the programme outlined by the "Comité d'Etudes". This document, written by Lucien Gallois, shows that at this date the French still believed that assimilation was possible, even after a century of Prussian rule. "We are confident that when they experience liberalism, they will return to us"². The basis of these hopes was expressed by the French member of the Committee of Three which drew up the Saar provisions of the Treaty of Versailles, M. Tardieu :

"A population French in race, traditions and aspirations lived on the greater part of the territory.

In spite of Prussian immigration, the Saar has kept its remembrance of the past, and, in spite of continual divisions, recalling those of Poland, it remains at least partly French in sentiment"³.

69. If such was the attitude of a scholar like Gallois, the attitude of the leaders of the occupying French troops may be surmised. There is no need to take at their face value all the assertions contained in the various documents reprinted in the German White Book⁴; but, certainly, Miss Wambaugh is correct in stating that... in the eyes of French military officials evidences of attachment to France began to multiply"⁵. In particular, Major Richert, who was in charge of French propaganda, believed that if a strong hand were used, the Saarlanders would quickly display their French sympathies⁶.

70. The chief measures taken by the French military authorities were :

- (i) Special food supplies.
- (ii) Teaching of French in schools.
- (iii) Strict press control and an intensive propaganda campaign⁷.
- (iv) Removal of the Mayor of Saarbrücken for pro-German statements; and
- (v) Attempts to purchase the controlling interests in the chief Saar industrial enterprises.

71. The reaction of the Saarlanders to this policy has already been considered⁸. It found expression in a petition by the inhabitants of Saarbrücken to President Wilson :

"We are German as regards race, history, language and sentiment. We desire to remain united with our German brethren even in this time

(¹) For the whole of this Chapter, see also Section B of this Report.

(²) Lucien Gallois : *Le Bassin Houiller de Saarbruck*. Comité d'Etudes, I, 129.

(³) Tardieu : *La Paix*, p. 277 (Paris, 1921). It was assertions such as these which led Clemenceau to declare on 28th May, 1919 : *Il y a là 150.000 hommes qui sont des Français*.

(⁴) *Das Saargebiet unter der Herrschaft des Waffenstillstandabkommens und der Vertrag von Versailles* : German White Book (Berlin, 1921).

(⁵) Wambaugh, *op. cit.*, page 42.

(⁶) *cf.* Cowan *op. cit.*, p. 100 and the German White Book, *op. cit.*, p. 29.

(⁷) "In nine months our propaganda in the Saar was carried to its apogee", Revire : *Perdons-nous la Sarre*, p. 29 (Lyon, 1928).

(⁸) *cf.* paragraph 67 above.

of trouble and misfortune... we therefore pray all those who favour a righteous peace... not to give their sanction to the efforts being made to separate us from Germany"¹.

2. *French diplomatic moves before the Peace Conference.*

72. The return of the Saar did not figure among the Allied war aims in 1916 or 1917², and American opinion condemned it as being incompatible with the eighth of the 14 Points. But nevertheless, powerful sections of opinion in France, including the "Comité des Forges"³; the Radical Republican and Radical Socialist parties were in favour of it.

73. In February, 1917, Doumergue, the French Ambassador in St. Petersburg, signed an agreement whereby, in return for discretion as regards her own Western frontiers, Russia agreed that "the frontiers are to be drawn so as to provide for the inclusion in French territory of the entire iron district of Lorraine, and the entire coal district of the Saar valley"⁴. The French Government did not communicate the text of this agreement to either America or Great Britain, and indeed the latter Government denied all knowledge of the agreement at the time (Statement by Mr. Balfour of May, 1918).

74. In the "*Projet des Préliminaires de Paix avec l'Allemagne*" (November, 1918), the Quai d'Orsay claimed "the valley of the Queich and of the Rhine at Landau extended along the watershed forming the northern boundary of the Saar Basin"⁵, justifying this claim on the grounds that it represented not a territorial acquisition but the return of historic French territory.

3. *The Peace Conference.*

75. In M. Tardieu's book no mention is made of the secret Franco-Russian agreements of 1917. One may surmise that the reason for this omission was that the revelation of these agreements had weakened rather than strengthened the French position at the Peace Conference. Britain had made it clear that she did not consider herself under any obligation to support France on the issue; President Wilson had expressly refused to recognise the validity of any secret agreements as far as the United States was concerned. The French Government therefore decided to rest their case on other grounds. This was done in the memorandum prepared by Tardieu on the basis of the work of the "Comité d'Etudes"⁶. In this memorandum French claims were stated to be both of an historical and of an economic order. The historical section cited the early periods of French control in the Saar and some evidence of the attachment of the Saarlanders to France in the 19th Century. The economic section claimed that the Saar coal was essential to the French economy; and that, moreover, the mines represented just reparation for the wilful damage caused to the French mines by the invading German armies. The

(¹) German White Book *op. cit.*, p. 22.

(²) Nor did it figure in the official French pronouncements concerning war aims (Declarations of 31st December, 1916 and 10th January, 1917, and Agenda of the Chamber of Deputies, 5th—6th June, 1917) *cf.* Tardieu, *op. cit.*, p. 278.

(³) Confidential Report of October, 1915, summarised p. 228—234. *Le Comité des Forges au service de la nation, 1914—1918*, by the then Secretary-General, M. Robert Pinot (Paris, 1919).

(⁴) British Blue Book (Cmd. 2169) p. 6 (London, 1924). The secret documents had already been published by the Bolshevik Government in 1917.

(⁵) This line ran well to the north of the 1814 frontier.

(⁶) Reprinted in Tardieu *op. cit.*, pp. 279—289.

minimal French demand was therefore for the 1814 frontier with, if possible, the entire mining region¹.

76. The Tardieu memorandum was circulated to the Council of Four at the beginning of March, 1919. On 25th March Lloyd George replied in a memorandum entitled "Some considerations for the Peace Conference before they finally draft terms". Referring to the Saar, the British Prime Minister suggested that France should receive the 1814 frontier or the "present Alsace-Lorraine frontier, with the use of the coalmines in the Saar for a period of 10 years". After the expiry of the 10-year period, Germany was to guarantee that she would not interfere with the sale of Saar coal to France.

77. The chief opposition to the French case came from President Wilson. Wilson based his position upon two principles. The first was that of self-determination. In a speech before Congress two years before he had declared:

"Self-determination is not a mere phrase. It is an imperative principle of action . . . peoples and provinces are not to be bartered about from sovereignty to sovereignty as if they were mere pawns in a game"².

78. The second principle was of only "open covenants openly arrived at." President Wilson pointed out that France had never claimed the 1814 frontier, in any public document" and that by accepting the eighth of the 14 Points she had debarred herself from raising the question. Moreover, from an economic point of view the 1814 frontier would cut the coal basin in two. These considerations led him to oppose any cession of territory without an immediate plebiscite, although he was prepared to concede to France the right to exploit the mines for a specific period as a form of reparation in kind for the damage to her own mines.

79. In face of Wilson's determined opposition the French delegation modified its position. They now demanded ownership of the coalmines, a special political administration for the entire territory, and finally "safeguards for the rights of the inhabitants" — this latter point being a direct attempt to meet President Wilson³. The political administration was to take the form, not of annexation, but of a mandate from the League of Nations for 15 years, under which France would have the right to occupy the territory with her military forces and veto acts of the local administration.

80. These proposals were unacceptable to President Wilson personally. However, his advisers were divided upon the matter. On the one hand, Charles Haskins supported the French view; on the other, Bernard Baruch argued against the transfer of the coalmines to France, but recommended that "Germany should be required to supply to France an amount of coal sufficient to make up the deficit in a normal production in the Lens and Pas de Calais coalfields during the period of their restoration". Faced with French opposition and conflicting advice from his experts, Wilson finally agreed to the transfer of the coalmines to France. But he remained obdurate as to the political proposals:

"I have no right to hand over to France people who do not want to go to her, or to give them a special government, even if it is better for them, if they do not want it."

81. At this point a Committee of Three, consisting of Tardieu (France); Haskins (United States); and Headlam-Morley (Great Britain) was set up to draft an agree-

⁽¹⁾ cf. *Projet des préliminaires de Paix avec l'Allemagne*.

⁽²⁾ cf. the wording of the protest made by von Brockdorff-Rantzau, see paragraph 85 below.

⁽³⁾ cf. the text of the French Notes of 29th March, 1st and 5th April, 1919, quoted in Tardieu, *op. cit.*, pp. 294—296.

ment which would remove the remaining difficulty of political control. The French contention was that, unless a special political and administrative régime were set up, it would be impossible to apply the economic provisions in practice. The French delegation was prepared to accept either an independent State attached to France by a customs union, or a French mandate under the League of Nations.

82. Both proposals were distasteful to President Wilson, since they could not be reconciled with the principle of national self-determination. It would be wrong to accuse Wilson of mere obstinacy on this point, since he considered it fundamental in the making of a just and lasting peace. So strongly did he feel on this matter that he ordered the cruiser "George Washington" to Brest, and American authorities said that he even contemplated returning to the United States if the French proved unwilling to retreat from their position¹. Certainly, this was a critical moment during the Versailles negotiations. Wilson proposed that differences arising between Germany and the French mines' administration should be submitted to an Arbitration Commission established for the purpose, and this proposal was supported by Great Britain. Clemenceau refused to accept this suggestion, on the ground that the Commission would act as a Court and be incapable of solving the administrative problems involved in applying French legislation to the mines. Its only function would be to usher in "a régime of perpetual law-suits"². In a last effort to break the deadlock, Wilson proposed that the Arbitration Commission be made into a Governing Commission with the necessary powers. This proposal was finally accepted (13th April).

83. Tardieu later claimed that Articles 45—50 and the Annexes thereto of the Versailles Treaty "set forth... the principles which... France had upheld before the Conference."

4. Provisions of the Versailles Treaty.

84. See Section B of this Report, Chapter A³.

5. German protest at this settlement.

85. Von Brockdorff-Rantzau protested vigorously:
 "The German Government considers it most of all inadmissible that German territories should be made the subject of bargains between one sovereign Power and another as though they were mere chattels or pawns in a game"⁴.

As to the repurchase of the mines, he considered:

"In modern history there is no example of a civilised Power binding another to subject its own nationals to foreign domination as the equivalent of a sum in gold."

86. Various notes were exchanged between the Allied Powers and Germany. On 24th May, 1919, it was stated,

"The Allied and Associate Governments have chosen this particular form of reparation because it was felt that the destruction of the mines in North France was an act of such a nature that a definite and exemplary retribution should be exacted."

(¹) cf. F. M. Russell, *The Saar*, p. 17. Stanford University Press (California, 1951).

(²) French reply to Wilson's note of 8th April, 1919. Quoted in Tardieu, *op. cit.*, p. 301.

(³) Paras. 171—201 below.

(⁴) Text of note taken from Viktor Bruns *Die Volksabstimmung im Saargebiet*, p. 163 (Berlin, 1934). cf. Wilson's speech before Congress, of which mention is made above, paragraph 77.

On 29th May, the German Government repeated its objection that France would thus receive many times the value of the mines destroyed. The Allied Note of 16th June adduced the argument which had decided the Council of Four.

“The German Note constantly overlooks the fact that the whole arrangement is temporary, and that at the end of 15 years the inhabitants will have a full right to choose the sovereignty under which they are to live”.

6. *Reception of the Compromise.*

87. From the nature of the problem, no compromise could have given satisfaction to both contending parties. The German view has been illustrated. To France, control of the Saar was strategically a partial substitute for the denial of an autonomous Rhine State, while economically it reunited the Saar coal with the minette ore of Lorraine. One French writer claimed :

“France accepted a compromise which afforded her only partial satisfaction. We showed proof then of the greatest moderation and understanding”¹.

British opinion was unsympathetic to an arrangement which, it was feared, might give Germany a cause for legitimate grievance. Such American opinion as there was on the subject was mesmerised by the idea of “self-determination” to the exclusion of the appreciation of any legitimate French claim based on strategic or economic concepts :

“A purely German territory had been forcibly detached from the Mother Country and, without consulting the population, put under foreign rule merely to ensure the exploitation of the mines by the French Government. This certainly has little to do with the ‘lofty principles’ which inspired the creation of the League”².

88. The attitude of the Saarlanders was generally hostile, and many felt that the whole machinery being instituted was only a cloak for French annexation³.

(¹) J. Donnadiou : *La Liquidation de la Victoire*, p. 44 (Paris, 1930).

(²) M. T. Florinsky, *The Saar Struggle*, p. 20 (New York, 1934).

(³) *cf.* Russell, *op. cit.*, p. 33 ; Cowan, *op. cit.*, p. 120, *cf.* also paragraph 67 above.

IX. — THE INTERNATIONAL REGIME AND THE PLEBISCITE

1. *The Governing Commission.*

89. See Section B of this Report, Section A ¹.

2. *Criticism of the Governing Commission made by the Saarlanders.*

a) *Composition.*

90. This was claimed to be overwhelmingly pro-French: the Saarlanders claimed that ².

- (i) M. Rault (as a French Civil Servant) found it difficult to oppose his Government's wishes;
- (ii) Count Moltke-Huitveld, who had lived most of his life in France was pro-French.
- (iii) Major Lambert as a Belgian was likewise pro-French;
- (iv) Herr von Boch (who came of an old Saar industrial family, and was the popular *Landrat* of Saarlouis) having resigned after six months, owing to the methods used to suppress the civil servants' strike (*q. v.*), a strongly pro-French successor, Dr. Hector, was appointed.

No such charges, however, were levelled at the Canadian member of the Commission, Mr. Waugh. His consistent championship of the rights of the Saarlanders gained him considerable popularity; but the ensuing disagreements with his colleagues forced him to resign in 1923.

b) *The Chairmanship.*

91. M. Rault was subject to very heavy criticism for partiality. Much of this, however, derived from the fact that as Chairman he signed all the Commission's Ordinances. This made him the target of every criticism which rightly or wrongly could be made of the Commission as a whole.

c) *Criticism that the Commission was non-responsible.*

92. The extraordinary nature of the Commission's powers ³ was due to the exceptional and provisional nature of the system, and the inadequacy of its preparation, as well as to the difficulty of the League exercising the power conferred upon it by the Treaty directly.

93. The Saarlanders claimed that this was all the more reason why the Commission should be responsible to them. If it were responsible only to the distant League, they were deprived of representation before a quasi-dictatorship,

(¹) Paras. 182—187 below.

(²) See Cowan, *op. cit.*, pp. 122—123; Russell, *op. cit.*, pp. 32—33.

(³) See below, Section B of this Report, paras. 184—185 below.

which was also a standing negation of the separation of powers¹. The relevant clause of the Treaty² imposed the duty of consultation. This raised two further questions: were the results of the consultation to be binding, and what representative organs should be used?

94. The Commission replied negatively to the first question, on the ground that it could not be responsible to two different bodies³. This view was subsequently upheld by the League of Nations⁴. To satisfy the second request the Commission tried initially to use the Councils of the seven "Kreise". These, however, proved too numerous for effective consultation, and the whole procedure took too much time. A regulation was therefore issued on 24th March, 1922, setting up an elected Assembly⁵. This body was purely advisory, however, and had no right of initiation⁶. In the event, it rejected all the decrees sent to it for an opinion; was ignored by the Commission; and became a public platform for pro-German propaganda⁷.

3. Initial moves made by the Governing Commission⁸.

95. In 1920 a civilian administration replaced the French military occupation régime, military courts and censorship, and an amnesty was granted to all those condemned by those courts.

4. The chief difficulties faced by the Governing Commission.

a) The Civil Servants.

96. Under the provisions of the Treaty, all the Prussian and Bavarian civil servants were to be replaced by Saarlanders. In practice, there were insufficient trained officials to replace them. A Franco-German agreement signed at Baden-Baden in 1925 regulated the condition of their continued employment, and as late as 1934 over 50% of the civil service were former German officials.

97. In August 1920 the exaction of an oath of loyalty as part of the civil service code⁹ and the replacement of certain senior German civil servants by foreigners, led to an 8-day strike of all the public servants, which was supported by a 24-hour general strike of all the labour unions of the territory. The Commission declared martial law, and about 100 "notorious Pan-Germans", were expelled, most of whom, M. Rault claimed, were foreigners to the territory¹⁰.

(1) See below, Section B of this Report, para. 185.

(2) *cf.* Resolution adopted by the Saar political parties, 18th March, 1922:

"Being mindful of their responsibilities towards the population of the Territory, and ready to cooperate loyally with the Governing Commission on a basis of political equality and participation in the Government of the country ... the parties request the Governing Commission to institute forthwith a body representing the people ... (they) further request that the Assembly to be created shall possess the full right to participate in the Government of the country and that its deputies shall be entitled to immunity".

(3) 10th Report of the Governing Commission, November-December, 1921, pp. 13—16.

(4) *League of Nations Official Journal*, March, 1922.

(5) For details, see Section B of this Report, paras. 189—191 below.

(6) *cf.* Röckling "*Wir halten die Saar*", p. 80.

(7) German and Saar writers alike lay stress on the denial of democratic legislative rights to the Saarlanders during the period of League rule. *cf.* Memorandum of the Saar Government, September, 1952, p. 2.

(8) *cf.* First Report of the Governing Commission, April-May, 1920.

(9) Decree of the Governing Commission of 29th July, 1920.

(10) Wambaugh, *op. cit.*, page 81.

b) *The 100 days strike in February-May, 1923.*

98. The cause was ostensibly wage demands, but the real aim was to demonstrate the solidarity of the Ruhr and Saar miners, who still belonged to the same Trade Union, with its headquarters in Germany. The strike spread to the railways, upon which the inhabitants relied for their food supplies.

99. The Commission acted promptly, brought in French and Belgian personnel to operate the railways, and requested the French Government to increase the number of troops stationed in the Saar. On 7th March, the Commission published a "*Notverordnung*" which provided for 5 years imprisonment for anyone who made an attack upon the life of any member of the Commission, or who spoke in contemptuous terms of the Treaty of Versailles, the League, or its members, the Saar Government or its officials. Offenders were to be tried in a special court, consisting of five judges appointed by the Chairman of the Governing Commission, and from whose decision there was no appeal.

100. This action produced a world-wide storm of protest. Mr. Asquith termed it in the House of Commons:

"The gravest blow that has been struck at the moral authority of the League since it was established. It has enabled the people of Germany to say... (that) the League is a farce and a fraud. It is run by the French and dominated by the French"¹.

101. The Commissioners replaced the decree with a milder one on 20th May, but were summoned to account for their action before the Council of the League on 16th July. The League contented itself with administering a diplomatic rebuke; but tension in the Saar was immediately relieved, as the people now felt that the League both could, and if necessary would, act as an effective check on the activities of the Commission.

c) *The introduction of French currency.*

102. See Section C of this Report².

d) *The Schools Question.*

103. This provides the classic example of German pressure on the Saar. Clause 14 allowed the French authorities to set up schools in which French was taught, "as incidental to the mines"³. As a result of requests from parents not connected with the mines that the children should have the advantage of learning two languages the Governing Commission granted the permission to send the children to the mine schools. At once a continuous barrage of petitions and memorials of protest were directed at the League Council by the German Government and the Saar political parties. These latter even claimed (on 2nd June, 1923) - "French military police force the attendance of German children at French schools". Yet, in fact, only 4,500 children out of a possible 123,000 ever attended the mine schools at one time. If anything, the pressure of public opinion prevented many parents from sending their children as they would otherwise have done. This, however,

(¹) Official Report, Vol. 163, 1923. Col. 2627.

(²) Paras. 410—414 below.

(³) "The French State shall always have the right of establishing and maintaining, as incidental to the mines, primary and technical schools for its employees and their children, and causing instruction therein to be given in the French language, in accordance with such curriculum and such teachers as it may select."

is of much less importance than the fact that such pressure was applied. Under conditions of such external pressure it would have been difficult for any administration to have succeeded.

e) *Continued presence of French occupation troops*¹.

104. The continued presence of these troops, including some North African *tirailleurs*, caused great offence. It was claimed by the German Government, with justice, that M. Rault showed small zeal as Chairman of the Commission to build up the local gendarmerie which would obviate the need of these troops². At the time of the 100 days strike, the Chairman called in a total of 6,000 French troops. In face of constant pressure from the League Council, this number had been reduced to 1,800 by 1924. But the local gendarmerie still numbered only 755. It was not till 1927 that the French Government dissolved the Saar Territory garrison³.

5. *French economic relations with the Saar under the International Régime.*

105. See Section C of this Report⁴.

6. *Events leading up to the Plebiscite.*

a) *The irrelevancy of the plebiscite.*

106. No serious evidence had ever been adduced to suggest that in 1920 the inhabitants of the Saar felt themselves to be other than German. The arguments for or against the separation of the Saar from Germany depended on arguments of an entirely different order: France's fear for her security, the natural economic link between Saar coal and Lorraine ore. These had no connection with the feelings of the people who happened to live in the vital area. The whole plebiscite was therefore vitiated from the start because it attempted to settle strategic and economic issues on the basis of self-determination.

(b) *Divided French policy and lack of interest in the Saar*

107. The masses in France were indifferent; certain industrialists wished to end Saar competition; the "Association française de la Sarre" merely urged the utmost

(¹) *cf.* Declaration of Lord Cecil: Section B of this Report, footnote to paragraph 198.

(²) *cf.* Twenty-first Report of the Commission, January-March, 1925.

(³) It is true that even thereafter a Saar Railways Defence Force was maintained (consisting of 100 British, 68 Belgian and 630 French soldiers. — Report to the League Council, 12th March, 1927), in order to ensure communication with the occupation troops in the Rhineland. This position lasted until 1930. The important point is, however, that the withdrawal of the last specifically French troops in 1927 played its rôle in the Franco-German *détente* of that year. The Report was considered by the League Council, of which Stresemann was at the time Chairman; and his acceptance of the Report is a reminder of the reasons for the failure of the *Briand-Stresemann negotiations* on the Saar. The question had first come up at the time of the Locarno Treaty in October, 1925, but was dropped in face of protests on the part of the French. Nevertheless, both Briand and Stresemann were resolved to solve the question if they could, and talks were opened in 1929 following the Hague Conference on Reparations. A French Ministerial Committee headed by M. Arthur Fontaine investigated the problem very thoroughly. Unfortunately the fall of the Briand Cabinet, and above all the death of Stresemann on October 3rd, meant that all real chance of success disappeared. Meanwhile, chauvinist elements in the French Chamber attacked the proposed settlement. The specific point on which the negotiations broke down on 30th June, 1930, was that there was no possible compromise with the German position that no economic compensation would be allowed for return of the territory without plebiscite. After the evacuation of the Rhineland, negotiations were broken off, and each side blamed the other for failure.

(⁴) See paras. 399—414 below.

exploitation until the last possible moment. As a result the French Government took no decided action, and as late as 1931 refused any financial aid for propagating the French cause.

(c) *Continuous German activity from 1920 onwards*

108. The opposite was the case in Germany. As early as 1920 a "Saarverein" was set up, and in the years following 1930 propaganda became continuous. The result of the plebiscite was a foregone conclusion¹, but effort was concentrated on making the vote as nearly unanimous as possible.

109. In 1930, Hermann Röchling set up the "United Front" to convert those who might for economic reasons have latent pro-French sentiments and therefore vote for a continuance of the "status quo". It is said that he spent 37,000,000 marks per year on propaganda² organisations like the *Heimatsdienst* and the *Schutzbund*; and speakers were frequently exchanged between the Saar and the Reich.

(d) *The dilemma caused by the advent of Hitler in 1933*

110. The advent of Hitler caused a breach in "United Front" in which all Saar parties, however differing on domestic issues had been united. In July 1933 when the local Nazi leader, Aloïs Spaniol, founded the *Deutsche Front*, the Catholic Centre Parties, the Socialists and the Communists stood aside. In October, however, after bitter internal dissention, the Catholic Party joined the *Deutsche Front*. Meanwhile the Nazi Party proceeded to organise cells headed by "Ortsgruppenleiter" and mass meetings were held frequently. Thus on 27th August, 1933, some 80,000 attended a rally at Niederwald just outside the Saar Basin. Hitler himself addressed them:

"The Saar question is the only territorial question which to-day exists between France and us. When this is once settled there remains no reasonable ground why two great nations should ever in future rise in war one against another".

In face of the rising tide of Naziism, the Catholic Party remained deeply divided, but eventually the majority decided to return to Germany in the hope of an early concordat between Hitler and the Vatican. The *Deutsche Front* was controlled by a *Führerrat* in Saarbrücken consisting of Hermann Röchling, Peter Kiefer and one Schmelzer, but it acted on the advice of the Gauleiter Josef Bürckel, who had his H. Q. in the Palatinate. By May 1934, the *Deutsche Front* claimed that 455,000 or over 90 % of the voters had signed membership cards.

111. In opposition to the threat of Naziism, a *Saarländische Freiheitsfront* was set up, led by Max Braun, the editor of the Social Democrat paper *Volksstimme*. It was supported by the Socialists, the Communists, certain individual conservative politicians like M. Hoffmann, the present Minister-President, and a number of Catholic priests who, refusing to obey the Archbishop of Trier, founded the *Deutscher Volksbund* under the banner: "Christ ist unser Führer, nicht Hitler". But, lacking the huge subventions made to the *Deutsche Front*, the *status quo* party had little chance of success. At most they could have hoped to gain perhaps 30 % of the votes, and they hoped that appeasement would not already have spread so far as to allow the League to hand over so large a minority to Hitler³. In the event, even these hopes were dashed.

(¹) Though the effect on Saar opinion of Hitler's advent to power should be borne in mind. cf. paragraph 112 below.

(²) Wambaugh, *op. cit.*, p. 109, quoting French sources.

(³) Cf. paragraph 119 below.

112. The dilemma which Hitler's rise to power presented to the Saarlanders was a painful one. It must not be thought that this applied to the mass of the population, who had not fully understood the nature of National Socialism. Their opinion had been formed before 1933, and on 13th January, 1933 they voted accordingly. But for the politically minded section either choice represented a break with a cherished ideal. The note of the campaign conducted by the "Freedom Front" was expressed in the *Volksstimme* "Let us hold fast to the small territory which is the last bid of Germany free from Hitler"¹.

(e) *Increasing political tension in 1934*

113. Indications of the increasing political tension can be found in the orders which the Commission was forced to issue; in September 1928, the dissolution of all semi-military organisations; in December, 1931 the outlawing of the possession of weapons; in July, 1932 military drilling and the possession of explosives.

114. The chief difficulty of the Governing Commission was that nearly all members of the administration, including police and courts were members of the "*Deutsche Front*", or subject to severe personal pressure by that body. The task of impartial policing therefore became almost impossible².

115. Fear was expressed of a *coup d'état* by the S. S. Division which had been recruited secretly in the Saar from 1932 onwards. The *Deutsche Front* pooh-poohed French fears, they

"would not be so foolish as to jeopardise their certain return to the Reich in 1935 by indulging in a ridiculous '*coup de main*' only a few months before that date"³.

7. *The Plebiscite of 13th January, 1935.*

116. In January, 1934, the Council of the League decided that the plebiscite envisaged in the Versailles Treaty should be held on 13th January, 1935. A Plebiscite Commission was set up, consisting of one Swiss, one Netherlands and one Swedish subject, with an American expert to act as Technical Adviser and deputy member of the Commission⁴. Both France and Germany agreed to abstain from political pressure and accept the results loyally. A supreme political tribunal was set up to adjudge any disputes arising from the vote.

117. The Commission arrived in Saarbrücken in July, 1934, and by September the provisional voting lists had been drawn up. Tension had so greatly increased between the "*Deutsche Front*" and the "status quo" parties, however, that at a private meeting of the Council it was decided that Great Britain, Italy, the Netherlands and Sweden should contribute troops to form a neutral supervisory body (Great Britain 1,500 troops, Italy 1,300, Sweden and the Netherlands 250 each).

118. On the 13th January these precautions were little needed, as the *Deutsche Front* had issued careful directives that incidents were to be avoided at all costs, lest they be held later to have rendered the vote invalid. The plebiscite resulted in

(¹) Russell *op. cit.*, p. 99.

(²) *Cf.* Russell *op. cit.*, p. 89 and Wambaugh *op. cit.*, p. 141:

"Police officials, even the highest ranks, met secretly under the command of Spaniol, and public services, posts, telegraph and telephone, tax collectors, municipal authorities, Bürgermeister, priests, pastors, and even judges and magistrates were largely subservient to the Nazi leader. The complaint of a reign of terror made by non-Nazi inhabitants was echoed in the foreign press, the charges including intimidation and espionage, secret denunciations, kidnappings across the German frontier, threat of dismissal and loss of pensions to officials disregarding orders of the unofficial government, interception of letters and telegrams, listening-in to telephone conversations, leniency of police to Nazi offenders and severity to anti-Nazis."

(³) *League of Nations, Official Journal*, August, 1934, p. 980.

(⁴) This expert was Miss Wambaugh, the authoress of the standard authority on the subject, *The Saar Plebiscite*, to which reference is made in this Report.

a majority of 90.36 % in favour of union with Germany, 8.8 % voting for the "status quo"; and 0.4 % for union with France¹. In no voting district was the vote for Germany less than 83 %. There were 0.4 % blank or invalid ballot papers, and 2.1 % abstentions².

119. The League of Nations was not bound to abide by the result of the plebiscite, for, though clause 35, sub-paragraph 1 of the Appendix stated that the views of the population must be taken into account, there was no question of their compelling the League of Nations to endorse the decision. However, the latter had already agreed with the parties concerned to abide by the result of the plebiscite³. This emerges from the Report of Baron Aloisi, Chairman of the Committee of Three of the Council of the League of Nations; from the declaration of M. Litvinov that: "it matters little whom the Saar people vote for: their decision must simply be accepted"; and also from the declarations of the then French Minister for Foreign Affairs, M. Pierre Laval, who said, "The plebiscite has been held, the result is unmistakable and the desire expressed emphatic. The Saar population has freely chosen its destiny. The Council of the League of Nations must therefore decide to re-unite the Saar with Germany. As I have already stated, by agreeing in advance to accept the plebiscite, France has testified her loyalty to the principle of the respect due to treaties".

120. On 17th January, 1935, the Council of the League of Nations passed a Resolution incorporating the whole territory of the Saar Basin in Germany and fixing 1st March, 1935, as the date on which the Government of the Saar Basin should be transferred. Meanwhile a German law of 29th January, 1935, had decided that the Saar should become a distinct administrative area under the name of "Saarland" until it could be amalgamated with the German administrative regions⁴.

121. There remained two main questions to be settled: the mines and demilitarisation.

122. Clause 36 of the Appendix laid down that, should the Saar return to Germany, the mines would be "repurchased by Germany in their entirety at a price payable in gold". Following the Barthou Memorandum of August, 1934, the methods to be adopted for re-purchase, or more exactly for "transfer" of the mines, railways and other real property of the French State in the Saar Basin, were laid down by agreements signed in Rome on 3rd December, 1934, and at Naples 18th February, 1935. It was agreed to settle these claims for a lump sum of 900 million francs, immediate payment to be effected by a withdrawal of 95 % of the total value of Bank of France notes and other foreign bills or currency circulating in the Saar territory. The balance was to be paid in full within five years by free deliveries of coal from the Warndt region⁵.

(¹) The voting figures were as follows:

Registered votes.....	539,541
Votes cast.....	528,105
For union with Germany.....	477,119
For the "status quo".....	46,613
For union with France.....	2,124
Invalid ballot papers.....	905
Blank ballot papers.....	1,292

(²) The franchise extended to all inhabitants over 20 years of age who had been resident in the territory on 28th June, 1919, even if they had since left it. This enabled 45,000 electors living in Germany in 1935 together with 5,000 German-born American citizens, representing some 9% of the total electorate, to vote in the plebiscite. *cf.* Charles Rousseau - *Droit International Public* (Paris, 1953).

(³) *cf.* Report of the Governing Commission. *League of Nations Official Journal*, August, 1920.

(⁴) *cf.* paragraph 139 below.

(⁵) In the event, some 9,000,000,000 out of the 12,000,000,000 French francs circulating in the Saar on the eve of the plebiscite were sent out of the area before the exchange bureaux were opened. It therefore proved impossible to cover by the French francs the 95 % of the 900,000,000 to be paid by the Germans in buying back the mines; consequently, according to the agreement of 3rd December, 1934, the free deliveries of coal had to exceed the 5 % agreed on, and were to amount to 2,000,000 tons per annum, until the liquidation of the debt.

123. The second question, that of demilitarisation, was decided upon by an exchange of letters of 28th February, 1935, between the German and French Governments. The German Government specifically recognised that the Saar Territory was included in the demilitarised Rhineland Zone, but it made a point of making stipulations concerning police and air navigation. Taking note of the German letter, the French Government raised objections to the presence in the demilitarised zone of members of the S. A. and S. S. and to the development of any communications not justified by economic necessity. It reserved the right to raise this matter in accordance with the procedure provided for by the Treaty in force¹.

124. On 1st March, 1935, Baron Aloisi handed over control in the name of the League to Dr. Frick, Reichsminister of the Interior. Shortly afterwards Hitler addressed the crowd assembled in the Rathausplatz at Saarbrücken.

125. The Supreme Plebiscite Court terminated its activities a year later on 31st March, 1936, having heard 371 claims. Of these 13 were allowed, 147 dismissed and 211 settled by order of the Court. During its brief existence, it successfully prevented persecution: but, before it ceased to exist, the Nazi Governor Bürckel had declared his intention of making the Saar "the most Jewless part of Germany". About 3,300 Saar inhabitants and some 800 refugees from the Reich who had been living in the Saar, had fled over the frontier into France as soon as the result of the plebiscite was known.

8. *Verdict on the Plebiscite.*

126. The technical arrangements for the plebiscite cannot be too highly praised, and they constitute one of the League of Nations' most notable achievements. For the first time in any plebiscite, the auspices were completely neutral; the Plebiscite Commission itself was composed exclusively of citizens of States which were neutral in the dispute; the plebiscite area was policed by a neutral international force; while the secrecy of the ballot was rendered absolute by the innovation of neutral chairmen (350 of whom were Swiss) in the voting bureaux, and by the counting of ballots by neutrals only. It was thanks to these model arrangements that the Plebiscite Commission could truthfully telegraph to the Secretary-General of the League of Nations on 14th January, "Voting took place in perfect calm, population having displayed discipline and dignity"².

127. Technical perfection is, however, no answer to improper political pressure. Here it is well to quote at length the opinion of the leading authority on the plebiscite, Miss Wambaugh. Miss Wambaugh was herself Technical Adviser and deputy member of the Plebiscite Commission. She writes:

"While there was very little evidence of physical 'terror' in the Saar, of the 'moral terror' called by the 'Anglo-Saxon' fear there was a very great deal. The chief source of this was the boycott organised in countless ways by the "*Deutsche Front*" or its adherents. Strive as they did in every conceivable way to circumvent the various form of pressure or to offset its effects, the two Commissions were unable to succeed entirely"³.

(¹) The exchange of letters between the German Ambassador in Paris and the French Minister of Foreign Affairs was published by the Secretary-General of the League of Nations on 6th March, 1935, simultaneously with the publication of the letter from Baron Aloisi of 28th February, 1935.

(²) *League of Nations Official Journal*, February, 1935, p. 97.

(³) *cf. Wambaugh, op. cit.*, page 317. *cf. footnote to paragraph 114 above.*

128. Other writers have even hinted that that "Nazi pressure" included the falsification of a large number of ballot papers; but these charges must be regarded as unproven¹.

129. Even if true, however, such considerations would in no wise alter the fact that in 1935 the majority of the Saarlanders genuinely desired union with Germany, even if it meant accepting National Socialist rule.

9. Verdict on the International Régime.

130. The international régime was certainly a success in the material sense. Its able if autocratic rule cared well for the populace in housing, education, and communications, and the Commission contrived to leave a considerable budgetary surplus in 1935. The chief reason for this success, however, was the open market which the Saar enjoyed.

131. In spite of its excellent administration, the Commission itself had no popular roots, and was thus never able to secure the people's confidence. (The criticisms of the pro-French bias of the Commission and of the absence of proper contact with public opinion through a legislative assembly have already been considered).

132. The Commission was never master in its own house. On the one hand the French Government controlled the key industry — coalmining, and the customs and external relations of the Saar Basin; on the other, the Saar was subjected to continuous and heavy pressure from Germany.

133. The fundamental difficulty was that the whole régime was not only temporary, but that it started out upon false premises. It was not a demographic problem that required solution, for no demographic problem existed. Even the maintenance of the "status quo" of 1920 did not prove to be realisable in the event. The plebiscite was superfluous because its result was certain from 1920 onwards². But even when taken, it still *did not resolve the fundamental economic and strategic problem*. An international régime whose 'raison d'être' was to fill a 15-year interregnum until a plebiscite, the which plebiscite was both superfluous and irrelevant to the true problem, could in no circumstances have been a success.

134. It should be carefully noted that this verdict on the international régime in the Saar is made solely with reference to the period 1920—1935: it in no wise constitutes a reflection upon the usefulness of international régimes as such, nor does it have relevance to proposals which have been made since 1950 for the installation of a "supranational" administration in the Saar. As has been pointed out above³, the existence of widespread German nationalist sentiment in the Saar in 1918, and its absence in 1945, makes impossible comparison between the régime set up after the First World War and any régime set up, or which may be set up, after the Second World War.

135. In conclusion, it should be added that the criticisms made have been harsh, because the criterion applied has been a high one: whether the period of

⁽¹⁾ cf. H. Hirsch. "The 1935 Plebiscite", South Atlantic Quarterly XLV (1946), pages 13—30, and *La France et le Problème sarrois*, Gauthier Gobineau (Paris, 1946).

⁽²⁾ cf. Wambaugh *op. cit.*, page 318: "Had the vote been taken at any time before the national socialist régime in the Reich, it would certainly have yielded 95 %—99 % for immediate return to the Fatherland". There was, however, a reversal of opinion following Nazi measures in February, 1933; which might have led to a much larger vote than 8.8 % in favour of the *status quo*. A lesser swing of opinion had occurred following the collapse of the German mark in 1922.

⁽³⁾ Paragraph 67 above.

League of Nations rule succeeded in solving the economic and strategic problems which the Saar represented, and still represents. By this standard, the verdict is one of failure; and it would not now be accepted that the results of the plebiscite "wiped the Saar problem off the international docket"¹. By any less exacting standard, however, the measure of success achieved, in face of tremendous difficulties, was considerable; and it is fitting to recall Miss Wambaugh's tribute to the Governing Commission which "for fifteen years fulfilled its more than thankless task with skill and devotion"².

⁽¹⁾ Wambaugh, *op. cit.*, page 322.

⁽²⁾ Wambaugh, *op. cit.*, page 321.

X. — THE SAAR 1935—1945

1. Reintegration with the German economy.

136. After the initial rejoicing that they had achieved their "*Heim ins Reich*", the Saarlanders settled down to examine the consequences of their vote. Two aspects of their experience must be clearly distinguished. The first was that they had rejoined Nazi Germany, and Bürckel's declaration concerning the Jews had already given them a foretaste of what was to come. But the Saarlanders also found themselves often treated as "*Saarfranzosen*", somehow suspect in spite of the plebiscite. In retrospect, therefore, while they are inclined to attribute much of the evil of Hitler's Reich to the Nazi Party, rather than to Germany, many are not entirely convinced that if they rejoined even a non-Nazi Germany they would be treated as fully equal German citizens. The second aspect of Saar experience after 1935 was the economic effects of reunion with Germany, which gave content to the feeling described above.

137. As is developed in the economic section of the Report, the fundamental fact about the Saar economy is that it cannot be separated from the "minette" of Lorraine¹. This is not true of the Lorraine ore, which can, albeit with difficulty, find alternative sources of coal supply². After 1935 Saar coal found itself in an already overcrowded German market; and neither "*Saaropfer*" nor "*als ob*" freightage rates could replace the 5,000,000 tons which had been exported to France³. Swedish ore had too high a mineral content for the Saar furnaces. At the same time, the Bavarian Palatinate proved incapable of providing sufficient food supplies for the Saar. As a result, the price of consumer goods increased 25 % — 50 % within eighteen months of the plebiscite, while wages increased only 7 % — 15 %⁴. The Saarlanders had also to shoulder a tax burden which was almost doubled in comparison with that under the International Régime, in order to pay for war preparations. The economic effects of reunion with Germany would have been felt even more severely, had not rearmament and the building of the Siegfried Line stimulated economic activity.

138. These facts concerning the economic consequences of the plebiscite were the subject of two important studies in Germany. One was ordered by the *Reichsminister* for Economic Affairs and the other was made by a German economist, Dr. Seibt⁵. The former was not published, and was discovered in the Saar after the war⁶. The latter was published in 1941, presumably because it showed the economic advantages of union with Lorraine⁶. As these documents are authentic and come from German sources (which would certainly not have reached such uncomfortable conclusions unless there had been solid grounds for them), some weight can be attached to them. A summary of the chief conclusions reached by Dr. Seibt is to be found in the economic section of this Report⁸.

(¹) With the exception of the years 1935—1940, the economic union of the Saar and Lorraine has existed for the last eighty years i.e. ever since the Saar became heavily industrialised.

(²) Recent developments in coking processes have made it possible to use Lorraine coal for smelting.

(³) Bitter disappointment was caused in the Saar over the failure of the German Government to support the Rhine-Saar canal project.

(⁴) The impact of Dr. Schacht's economic policy must, of course, also be borne in mind.

(⁵) "The re-integration of the Saar heavy industry after 1935" Munich Studies in Political Economy (Jena, 1941).

(⁶) "Report of the Reich Advisory Commission on economic efficiency with regard to the economic structure of the Saar after its return to the German Reich in 1935" (Berlin, 1983).

(⁷) Its publication was authorised by the National Socialist "*Reichsschrifttumskammer*".

(⁸) See Section C below paras. 415-423.

2. *German territorial administration, 1935-1945.*

139. a) As has been pointed out above¹, a German Law of 29th January, 1935, laid down that the Saar Basin should become a distinct administrative area, having the same boundaries as in 1919, and entitled "Saarland". This law came into force on 1st March, 1935. The area thus created was allotted eight deputies in the Reichstag, to be appointed by Hitler, as Chancellor, on the nomination of the "Reichskommissar". The occasion was also taken to change the name of Saarlouis to that of Saarlautern.

b) On 1st April 1938 an area of 11.62 sq. km. was added, at the extreme east tip of the province.

c) In April 1940, the Saar was united with the Palatinate to form a new province known as the "Saar-Pfalz". This area became known as the "Westmark" in December, 1941.

d) In May 1941, the last administrative change was made, namely the addition of French Lorraine to the "Westmark". This arrangement lasted until the German collapse.

3. *The Second World War.*

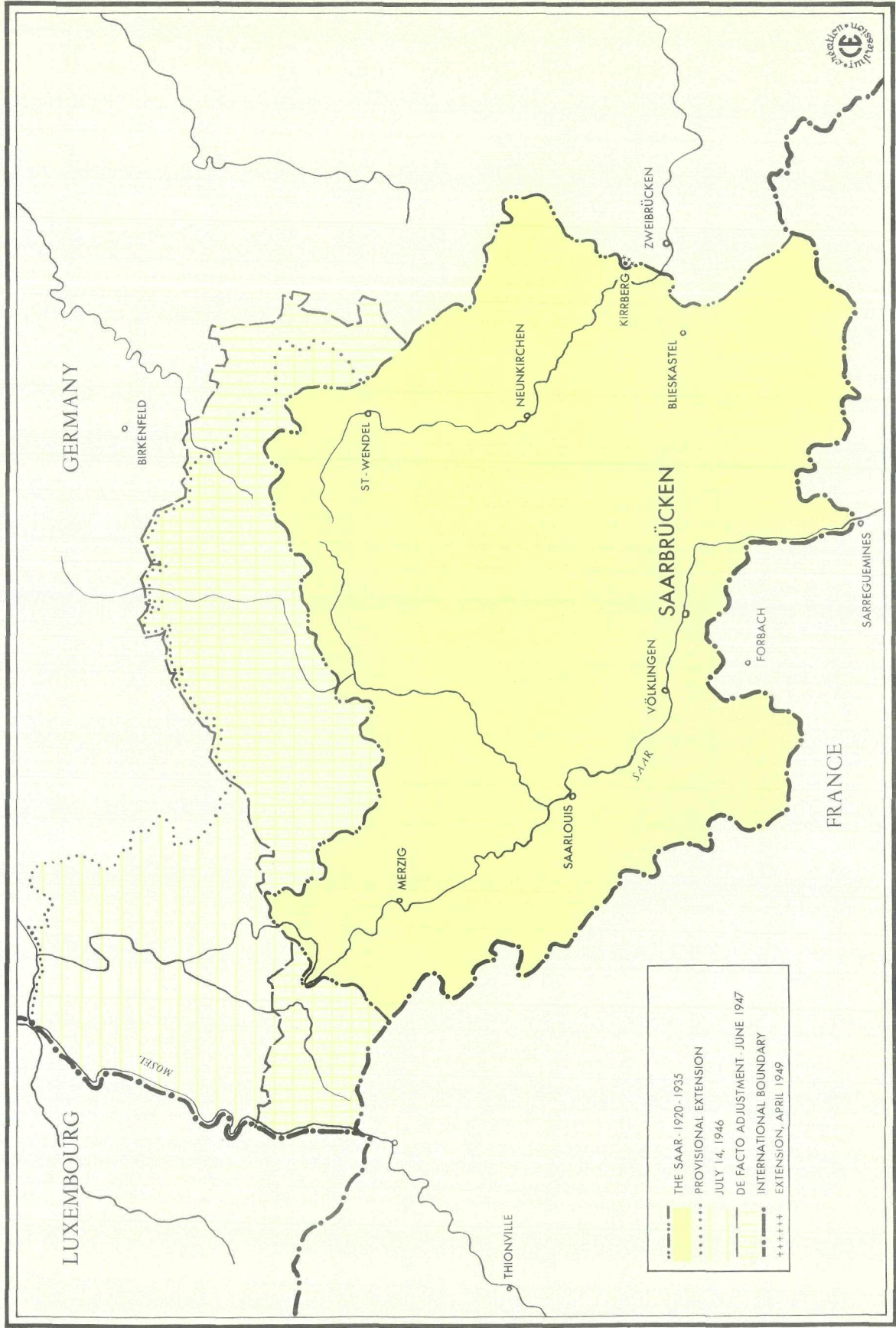
140. From 1940-1944 the Saar once more enjoyed the benefits of a single European market, but from 1943 onwards Allied bombing wrought greater and greater damage. In one raid alone in October 1944, more than 35,000 incendiaries and H. E. bombs were dropped on Saarbrücken, as a railway junction and industrial centre vital to the German war effort. At the end of the war 65 % of Saarbrücken and 75 % of Saarlouis lay in ruins, and only two blast furnaces were still in working condition². To these losses must be added the 50,000 soldiers killed and 30,000 disabled, out of a total mobilized force of 200,000 men (one quarter of the population).

141. The American 7th Army entered Saarbrücken on 21st March, 1945. In May, 1945 the German Government surrendered unconditionally to the four major Allied Powers, acting on behalf of the United Nations. The American occupation troops were relieved by French troops under General Koenig on 6th June, in accordance with the Four-Power decision of the preceding day that the Saar should form part of the French Zone. At this time the Allied authorities alone were in a position to represent Germany and act in her name. The Saar was to know once again an occupation regime.

⁽¹⁾ See paragraph 120 above.

⁽²⁾ The following statistics are given in the Saar Government's Memorandum of 1st September, 1949. "Of the 127,064 houses existing in the Saar in 1939, 64,540 had been completely destroyed or damaged. Of the 376 churches, only 114 remained undamaged, of the 613 schools only 219, of the 56 hospitals only 14."

FRONTIERS OF THE SAAR, 1920-1952



XI. — POST-WAR DEVELOPMENTS ¹

1. *Frontier modifications carried out by France* ².

142. a) As established after the war, the frontiers of the Saar were the same as those laid down by the Treaty of Versailles. On 1st August, 1946, the French authorities extended these boundaries to include the *Kreise* of Sarrebourg, Waden and a member of communes of the *Kreis* of Birkenfeld, thus removing the corridor of German territory between the Saar and Luxembourg. As a result of official British and U. S. protests this was partially withdrawn on 8th June, 1947.

b) On that date the frontier was again modified. The common Saar-Luxembourg frontier was reduced by two-thirds, but 13 communes in the Birkenfeld and Kusel *Kreise* were incorporated in the Saar.

c) On 1st March, 1949, the small Kirrberg *Gemeinde* was added, with a population of 1,780.

d) These changes are reflected in the relative statistics for the Saar at the different times :

- (i) 1939 : 1,925 sq. km.
- (ii) August, 1946: 2,866 sq. km.
- (iii) June, 1947 : 2,559 sq. km.
- (iv) April, 1949 : 2,567 sq. km.

This last figure (991 sq. miles) is still true to-day. It is one-third larger than the area of the "Saar basin" created by the Treaty of Versailles, and gives the Saar an area comparable to that of Luxembourg (999 sq. miles).

2. *Declared policy in France towards the Saar after the war.*

143. After the war, all French political parties, including the Communists, supported economic union of the Saar with France. This did not imply territorial annexation, however. In January, 1946, M. Bidault stated, as Foreign Minister :

"The Saar mines, the ownership of which was given to France by the Treaty of Versailles, must again become French property with, as a corollary, the inclusion of the territory in the French monetary and customs union, since the two economies are complementary. French forces should be stationed there permanently... as for a definitive regime for the Saar, that will be the subject of a later decision in agreement with our allies" ³.

In a speech at Lille on 7th April, 1946, M. Bidault repeated these conditions, and went on further to say :

(¹) *The division of this study into historical, legal and economic sections is an arbitrary one and gives rise to considerable methodological difficulties when deciding where to consider these inter-related questions. For the whole of this chapter reference should therefore be made to the Legal Section of this Report, paras. 202—302.*

(²) Source : *Geographical Review*, New York, October, 1951, pp. 590—605. See map page 47. For the significance of these territorial changes, see Part B, of this Report, paragraphs 453—462.

(³) *Journal Officiel des Débats*, 17th January, 1946, p. 80.

“France must be assured of permanent control over the administration of the Territory, and she will take all measures necessary to detach the public services fully from those of the Reich”¹.

144. In face of the refusal of the U.S.S.R. to accept this policy unless there were Four-Power control of the Ruhr, the French Government proceeded to put into effect² the policy suggested by the French delegation at the Moscow Conference on 10th April, 1947. The full text of the French delegation's Memorandum³ is as follows :

„The regime envisaged for the Saar Territory is based essentially on the following economic considerations : to deprive Germany of part of her war potential, to integrate the Saar into the French economic and monetary area.

I.

The economic and monetary “attachment” of the Saar to France implies :

1. That the Saar territory and all its resources shall come within the French customs system, that is to say, that the French customs frontiers shall be advanced to the frontiers of the frontiers of the Saar, and French customs laws and regulations shall be applied automatically at these frontiers ;

2. That the Saar and France shall form a single monetary union, that the franc shall be legal tender, and that the French exchange control regulations shall be applied automatically, in the Saar ;

3. That the level of wages and prices in the Saar shall be re-adjusted to French wage and price levels.

II.

The economic “attachment” delineated above of necessity implies a certain number of political and administrative consequences :

1. The Saar shall be removed from the competence of the Allied Control Commission in Berlin, shall cease to be part of German territory and in particular, the government and civil service of the Saar shall be detached from those of Germany ;

2. The Saar shall become a territory whose citizens shall have their own citizenship, but whose foreign relations will be the responsibility of France, as will the protection of Saar nationals and interests abroad ;

3. A Saar Constitution shall lay down the organisation of the government and the civil service ; the legislative and the executive shall be based on the principles of universal, direct and secret suffrage ;

4. The authority of the Saar executive and legislature shall be limited only by the creation of the post of a French High Commission in the Saar, whose task it will be to ensure the respect by the Saar authorities of the economic and monetary union, in the legislative and administrative spheres. In the judicial sphere, judicial institutions shall be set up to ensure the observance of the same principles by the Saar Courts. The High Commission will, moreover, be authorised to issue such ordinances as may be necessary to make applicable in the Saar those French laws and regulations required for the maintenance of the economic and monetary union.

5. Apart from these restrictions, the Saar authorities shall be competent to govern the country.

⁽¹⁾ *Le Statut de la Sarre depuis le Traité de Versailles*, p. 12 (Documentation française, série internationale, No. 506, January, 1947).

⁽²⁾ With the approval of the American and British Governments.

⁽³⁾ *Memorandum de la délégation française concernant le régime de la Sarre* ; La Conférence de Moscou, Ministère des Affaires étrangères, Notes documentaires et études, No. 620, Paris, 12th May, 1947.

III.

France will ensure the defence of Saar territory. To this end a military force sufficiently large to maintain internal order and provide for frontier defence shall be stationed permanently in the Saar.

3. *Reaction of the Powers to this Policy*¹.

a) *The U. S. S. R.*

145. The U. S. S. R. has consistently refused to recognise the economic union of the Saar with France, and is diplomatically uncommitted.

b) *United Kingdom*

146. As a result of the Moscow Conference of April, 1947, the United Kingdom is diplomatically committed to support French customs and financial control of the Saar until such time as a German Peace Treaty is negotiated. The most recent official statement of the British position was made by Lord Henderson, Under-Secretary of State for Foreign Affairs, in the House of Lords on 8th March, 1950²:

“In order to avoid any possibility of misunderstanding, I should make clear the attitude of His Majesty’s Government to these agreements. The question of the status of the Saar was first raised by the French Minister for Foreign Affairs in September, 1946. On October 22, 1946, my Right Honourable friend, the Foreign Secretary, made the following statement in the course of a speech in another place:

‘The French wish to incorporate the Saar in their economic and administrative system but without formally annexing it. His Majesty’s Government are prepared to accept the French proposals about the Saar subject to the necessary adjustments of the French reparations balance and the delimitation of the exact area.

We feel that this has been too long delayed and that in the interests of both the miners and other workers in the Saar and of the French Government it is right that the matter should be settled quickly. Therefore we shall support the French over the Saar.’

At the Council of Foreign Ministers in Moscow in 1947 my Right Honourable friend and the United States Secretary of State supported the claim of France for the political and economic detachment of the Saar from Germany, and on June 11, 1947, my Right Honourable friend, in reply to a Question, made a statement to the effect that His Majesty’s Government, subject always to decisions to be taken at the final Peace Settlement, supported French policy in the Saar. In consequence the French Government took a number of measures in the Saar territory which had the effect of separating the Saar politically and economically from Germany.

When it became known, towards the end of last year, that the French Government intended to place these arrangements upon a contractual basis, the Federal Chancellor expressed the view that nothing should be done which would prejudice the final settlement of the Saar question in the Peace Treaty or accentuate the separation of the Saar from Germany.

In particular, he expressed the hope that, so long as there was no final settlement of the Saar question the problem of the ownership of the Saar mines should not be prejudiced by a long lease of the mines by the Saar Government to France.

The agreements which have recently been signed between the French Government and the Saar Government have been drawn up in such a way as to give the German Federal Government satisfaction on both these points. It is specifically laid down that the final status of the Saar can be determined only by the Peace Treaty. In this sense the agreements are only provisional and are valid only until the Peace Treaty. Moreover, care has been taken not to prejudice the question of the ownership of the mines, and it is laid down that whereas

(¹) For this portion of the study, see section B, paragraph 207.

(²) *Official Report*, vol. 166, n° 1, Col. 142-143.

the French will continue to exploit them until the Peace Treaty, a fifty-year lease will be granted to the French only if this agreement is sanctioned in the Peace Treaty itself — that is to say, in a Treaty to which Germany will be a party.

It will thus be seen that the agreements do not alter the existing state of affairs, they merely place it on a contractual basis until such time as the future status of the Saar shall be definitely determined by a Peace Settlement."

(c) *U. S. A.*

147. It has been claimed that the United States — alone of the three Allied Powers — is diplomatically committed to support the economic union of the Saar with France as permanent. This commitment is derived from a series of official statements made by successive Secretaries of State, and, in particular, from that made by General Marshall¹. These statements were as follows :

(i) *Mr. Byrnes*

At the second session of the Council of Foreign Ministers in Paris, on 11th July, 1946, Mr. Byrnes adopted a position nearer that of the United Kingdom, in regarding the arrangement as temporary :

"The United States will agree that the Saar region be excluded from the authority of these central agencies so that it can be administered as at present by the French Government until the western boundaries are finally determined."

However, in a speech made at Stuttgart on 6th September, 1946, Mr. Byrnes stated :

"The United States does not feel it can deny to France, which has been invaded three times by Germany in 70 years, its claim to the Saar territory, whose economy has long been closely linked with France."²

(ii) *General Marshall :*

At the Fifth Session of the Council of Foreign Ministers in London, on 27th November, 1947, (*i. e.* after the Moscow Conference), General Marshall stated :

"With regard to the Saar the United States supported the economic integration of the Saar with France, although the political status of the Saar should be based on the principle of political autonomy and local self-government."

General Marshall urged that at this session the French proposal for economic integration of the Saar territory be approved, after which such details as frontiers could be worked out.

(iii) *Mr. Acheson :*

At a press conference given in Washington on 19th January, 1950, Mr. Acheson stated :

"Under three Secretaries of State — Mr. Byrnes, Mr. Marshall and myself — we have taken the position, with the approval of the President in each case, that the United States supports and will support the French position, which is that the Saar should be detached from Germany and that it should be financially and economically integrated with France. The political future of the Saar is a matter which should be determined by the peace treaty which will conclude the war with Germany. The American attitude on that point has been that we would again support the French view, which is that the Saar should have a certain degree of autonomy. Under that

(1) No official statement of American policy, towards the Saar has been made by Mr Dulles since the advent to power of the Republican Administration on 4th November, 1952.

(2) State Department Publications No. 2616, European Series, No. 13, page 15, (Washington, 1946).

position, we have in the past supported the various actions which the French Government has taken. We all agree that the Saar should not be under the Allied High-Commission, but that it should be administered by the French High Commissioner for the Saar. The French customs areas has hitherto included the Saar, and it has been dealt with financially as part of the French financial system. The railways are operated in conjunction with the French railways. Both economically and financially, the Saar has been more or less integrated with the French financial system and the French economy. Now, so far as any particular moves, such as leasing the mines, are concerned, that is a matter which, whatever is done about it, would not prejudice questions which will await the peace settlement. In our view, of course, it would be very wise for France, whatever action she may take, not to do anything which would render difficult the relations between France and Germany or the general integration of Western Europe. I think our attitude toward the Germans would be that they must not take positions which rest upon the general view that they have no responsibility for the war, or that no consequences flow from the war. A great many do, of course."

These statements should be read in the light of the Joint Note of 3rd August, 1951¹.

(d) *German Federal Republic.*

148. When the Basic Law of the German Federal Republic was formulated (8th May, 1949), the territorial boundaries ascribed to this State did not include the Saar. However, Article 23 of the Basic Law embodied a provision whereby "it (the Basic Law) will enter into force in other parts of Germany when they accede to the Federal Republic". On 29th May, 1951, the German Chancellor, Dr. Adenauer, pointed out a contradiction between the Allied declaration of 5th June, 1945, in which reference was made to Germany "as bounded by its frontiers of 31st December, 1937", and the present statute of the Saar. In the joint reply of 3rd August, 1951, the three Governments stated that the sole aim of the above-mentioned declaration had been to delineate the territory to be divided into zones of occupation. "The three Governments reaffirm their view that the final Statute of the Saar should be determined by the Peace Treaty or a Treaty in lieu of such."

4. *The French Administration set up in the Saar.*

149. In 1945, the French Zone of occupation was divided into four "Länder", of which the Saar was one. By decree of the French commander-in-chief, a *Délégué Supérieur* was placed at the head of each Land, with full powers. Under him was a delegate of each of the *Kreise*². On 30th August, 1948, Colonel Gilbert Grandval was appointed "*Délégué Supérieur*" in the Saar. A *Landrat* was appointed in each *Kreise* (except in Saarbrücken, which was to be directly administered by the central administration). As an insufficient number of trained officials was found to make the 340 "*Gemeinde*" independent units, these were amalgamated into 47 *Verwaltungsbezirke*. These areas were to be controlled by a representative of the central government (a "*Verwaltungsvorsteher*") advised by a committee formed of the *Gemeinde* (*Verwaltungsausschuss*). The Central Government itself was aided by a seven-man "*Commission d'Administration du territoire de la Sarre*" (C. A. T. S.) upon which the chief political parties were represented. The duties of the Commission were to act as the executive agency in a way similar to a Cabinet, each member being in charge of one of the seven departments of justice, finance, the interior, public works and reconstruction, economics, agriculture and food, labour and education.

⁽¹⁾ cf. paragraph 148 below.

⁽²⁾ *Arrêté* of 21st August, 1945. See *Journal Officiel du Commandant en chef français en Allemagne*, September 3rd, 1945, page 4.

5. *The High Commissioner.*

150. After the entry into force of the Constitution in December, 1947, the French Government proceeded to set up the Office of the High Commissioner mentioned in the Preamble. The High Commissioner appointed was Colonel Grandval, who succeeded himself as the former Military Governor. His powers were defined in a decree of 31st December, 1947, in which it was laid down that he was to represent French interests in the Saar, supervise the execution of international agreements, and safeguard the principles of the Saar Constitution. He was to assure the publication and application of French legislation applicable to the Saar and to issue the ordinances and decrees necessary for the operation of the monetary and customs union. In case of danger he was further authorised, in case of danger to the fundamental principles of the Preamble, „yo take any measures necessary for public order.”¹

151. A further decree of the same date set forth the organisation of the High Commissioner's administration. A “*Délégué Secrétaire Général*” was to be the senior official, replacing the High Commissioner when absent, and having authority over all questions of a political, cultural or religious nature, and, more particularly, public information and education. To assist him there was to be a financial, economic and legal adviser and a *directeur des services de contrôle*, this latter official with control of the French police in the Saar, and of the Saar police also, with the High Commissioner's authority². Authorisation was given for 360 French employees in all³.

6. *The Political Parties, 1946-1947.*

152. In 1946, four parties were authorised: the C. V. P. (Christian People's Party), the S. P. S. (Social Democratic Party), the D. P. S. (Democratic Party), and the Communist Party. Each party was allowed a newspaper. Within these official parties there also grew up a powerful body, the M. R. S. (“*Mouvement pour le rattachement de la Sarre*”) which received some unofficial French support⁴. An indication of the relative strength of these parties is given by the voting figures of the municipal elections of 18th September, 1946. The results gave the C. V. P. 52.3 %, the S. P. S. 25.5 %, and the Communists 9.1 %. The bulk of the remainder went to the Democratu Party⁵.

153. The leaders of the three chief parties — including the Communists — had accepted a French orientation in principle at the St. Ingbert Conference of 10th November, 1945, and indeed their licence to exist depended on their supporting union with France. In 1946, the C. V. P. adopted unanimously a resolution that:

“This party agrees with the integration of the Saar in the French economic system, in the certain expectation of seeing the cultural character (German language and schools) of the Saar respected”⁶.

154. By 1947 the Communists had reversed their earlier policy⁷, and, in this respect, made common cause with the Bishop of Trier, Bishop Bornewasser. This ecclesiastic had played an active rôle in 1935 in urging the predominantly Roman

(1) Decree No. 47-2436 of 31st December, 1947. See *Journal Officiel*, 4th January, 1948, p. 131.

(2) Decree No. 47-2447 of 31st December, 1947. See *Journal Officiel*, 18th January, 1948, p. 566.

(3) Decree No. 48-1230 of 30th June, 1948. See *Journal Officiel*, 27th July, 1948, p. 736.

(4) Cowan *op. cit.*, p. 189.

(5) 7 % of those entitled to vote abstained. Of the ballots cast, 5.5 % were invalid.

(6) *Le Statut de la Sarre*. Documentation Française No. 506, 8th January, 1947, p. 13.

(7) *cf.* Part Two of the Report, footnote to paragraph 21.

Catholic population to vote for union with Germany, and after the war continued to advocate this policy in a series of pastoral letters¹. In December, 1951, Bishop Bornewasser was succeeded by Dr. Wehr.

7. *The Elections of 5th October, 1947.*²

155. These elections have given rise to much controversy as to whether they were the equivalent of a popular mandate for the Saar Constitution. In view of the subsequent elections in November, 1952, this discussion is now largely academic; but, as is suggested below³ the chief popular interest at the time of the election was internal domestic questions, rather than the Preamble to the Constitution and Article 103. This was only natural if one considers the position of the Saar in the immediate post-war years. Details have already been given of the enormous loss of life and material which the war had brought to the Saar⁴. At such a time economic union with France appeared not only as a way of preserving the vital link with Lorraine, but as an opportunity of escaping yet further privations. By 1947 to these thoughts had been added the hope that the Saar might play a rôle in the economic union of Western Europe, and serve as a bridge between the French and German peoples⁵.

8. *The 1947 Constitution*

156. The drafting was accomplished between 27th May and 16th September, 1947, by a Constitutional Committee counting 21 members (10 C. V. P., 5 S. P. S., 2 D. P. S., 2 Communists and one non-party legal adviser). It was then considered by the Administrative Commission (C. A. T. S.)⁶, which adopted the draft Constitution by 18 votes to 0, with 2 abstentions (Communist).

157. It could not so far be said that there had been any direct popular mandate for this draft. Such mandate as there was must be derived from the elections of October, 1947⁷, in which the parties favouring the Constitution received the large majority of votes⁸.

158. When the Saar Assembly met, the chapters of the Constitution were voted upon separately. Only two clauses aroused any opposition, that on the church (31 : 17 votes) and education (28 : 20 votes). The whole text was adopted by 48 votes to 1 (Communist) with one abstention.

159. The provisions of the Constitution are considered in detail in Section B of this part of the Report, and their application in Part Two (Protection of Human Rights and Fundamental Freedoms)⁹.

(¹) e.g. the Pastoral Letter of 15th March, 1947.

(²) For the electoral statistics see below, pages 59-60.

(³) Footnote (8) paragraph 157.

(⁴) Paragraph 140 above.

(⁵) cf. Speech by M. Hoffmann to the Christian Democrat Party, 30th June, 1946.

(⁶) See paragraph 149 above.

(⁷) See table, page 59 below.

(⁸) German sources claim that the electors had no knowledge of the full text of the Constitution before the elections, and that no adequate discussion of its provisions, and especially of the Preamble, took place in the newspapers. Saar sources state that 100,000 copies of the Constitution were sent to all *mairies* one week before the elections, for consultation by those who were interested; and that, on the contrary, all knew clearly what were the issues involved. In general, the main electoral issues were of a domestic kind, as witness the only two clauses of the Constitution which led to a division in the Landtag (*vide* paragraph 158).

(⁹) *Vide* Part Two, Chapter IV (paragraphs 33—39).

9. *The Franco-Saar Convention and the development of Franco-Saar relations, 1948-1953*

160. The Franco-Saar Conventions fall into three distinct groups :

- (i) those signed before 1950, namely the General Convention concerning Social Security, the Postal Convention, the Judicial Convention, the Fiscal and Budgetary Convention, the Convention for the protection of Industrial Rights, and the Cultural Convention ;
- (ii) The 12 Conventions signed on the 3rd March, 1950, namely the General Convention, the Convention for the implementation of the Franco-Saar Economic Union, the Mines Convention, the Railways Convention, the Convention on the establishment of nationals of the two countries and the exercise of their professional activities, the Convention on Reciprocal Judicial Aid, the Convention on the Control of Insurance Companies, the Convention on inland navigation, the Road Transport Convention, the Convention on Public Assistance Legislation and supplementary Agreement thereto, the Pharmaceutical Convention and the Weights and Measures Convention.
- (iii) The new Conventions signed in Paris on the 20th May of this year (General Convention, Economic Convention, Mines Convention, Judicial Convention, Fiscal and Budgetary Convention, the Convention on double taxation, and common administrative assistance, and the Convention modifying and completing the Convention on Judicial Aid of 3rd March, 1950).

161. The content of these Conventions is considered elsewhere¹. They have been the subject of the most widely divergent interpretations. In the German view they were nothing more than a disguised attempt at annexation by a country too weak in 1945 to repeat her successes of 1919, and the arguments used by the French in 1931 concerning the economic union of Austria and Germany being likely to lead to political "*Anschluss*" have been quoted at their authors². On the French side it is clear that the three groups of Conventions represent an evolution of policy from that of the immediate post-war period, as, for instance, advanced by General de Gaulle and M. Bidault when they visited Washington in 1945³, to one which now envisages the Saar as an independent territory, making its own contribution directly to the European Community. This juxtaposition of the Saar question with that of the European Community recalls the criticism made in certain British and American circles that French policy in the Saar has been "schizophrenic", in the sense of having continued a policy conceived in 1945 into the new era opened by the creation of the European Coal and Steel Community⁴. The economic aspects of this contention are considered in Part Three of the Report. Time must elapse before it becomes possible to make a judgment on these issues. For the moment it is possible only to record the views of the different parties, and to note that Conventions signed on 20th May, 1953, give the Saar almost complete autonomy in all internal matters. Behind the voices of the two Great Powers, however, there is the view that for the Saarlanders the signature of the Conventions represented, not "treachery to the German fatherland", but a steady improvement of the situation from 1945, when they had nothing but the bitter fruit of defeat, up to to-day when they enjoy prosperity and the right to manage their internal affairs as their elected representatives decide.

(1) See Section B of this Report.

(2) German Memorandum, 9th March, 1950.

(3) cf. J. F. Byrnes "*Speaking Frankly*", p. 170 (New-York, 1947).

(4) cf. *The Economist*, 21st January, 1950, p. 117.

162. French administration has naturally reflected the same trend as have the Conventional relations of France and the Saar. There is no need to recall such recent events in detail, but one date should be borne in mind, namely 25th February, 1952, when the office of the French High Commissioner was converted into a diplomatic mission and M. Grandval granted the personal rank of Ambassador. To-day, the French troops remain, because France is responsible for the Saar's defence; French customs and financial officials remain, because of the Franco-Saar economic union; but in internal political matters it is a misnomer to continue to refer to French "administration". Although the rôle fulfilled by France in military and economic matters gives it great influence, the mission headed by M. Grandval is a diplomatic mission in fact as well as in name.

10. Internal developments, 1948-1953.

163. Since the 1947 elections, the Saar has been ruled by two Coalition Governments and one single-party Government. In the first coalition Cabinet formed on the 15th October, 1947, the portfolios were distributed as follows:

M. Johannes Hoffmann (C. V. P.)	Prime Minister
M. Richard Kirn (S. P. S.)	Deputy Prime Minister: Labour and Social Welfare.
M. Heinrich Grommes (Independent)	Finance and Forestry.
M. Franz Singer (C. V. P.)	Economic questions, agriculture, food and transport.
M. Heinz Braun (S. P. S.)	Justice
M. Emil Straus (C. V. P.)	Culture and Education
M. Edgar Hector (C. V. P.)	Secretary of State, acting as Minister for Home Affairs.

Following the resignation of the two Social Democrat Ministers, M. Kirn and M. Braun, on 9th April, 1951, M. Hoffmann reconstructed his Cabinet on a purely C. V. P. basis as follows:

M. Johannes Hoffmann	Prime Minister, Minister of Labour, Social Welfare and Reconstruction,
M. Erwin Müller	Minister of Justice, Culture and Education
M. Edgar Hector	Minister for Home Affairs
M. Franz Ruland	Minister for Economic Questions, agriculture, food and transport,
M. Friedrich Reuter	Minister of Finance and Forestry

together with two "Government Directors" in charge of the departments of Labour and Social Welfare (M. Heinrich Welsch) and Culture and Education (M. Eugen Meyer). In 1952, following the last elections¹ M. Hoffmann again formed a Coalition Cabinet, which remains in office.

164. The internal policy pursued by these successive Governments has not differed greatly from that followed by the other European post-war Governments in which the Christian Democrat parties have played a leading part. Nevertheless, it is worth recalling the astonishing speed of Saar recovery — thus the number of blast furnaces working by 1951 was 23 in comparison with two four years earlier —

⁽¹⁾ For the electoral statistics, see below, pages 59-60.

and the liberal policy pursued in matters of social security. In 1951 Government expenditure in social services amounted to 56 % of the budget, a fact which should be read in the light of the absence of any direct Saar contribution to the cost of Western defence.

165. The relative strength of the parties has not varied greatly during these years. It must, however, be noted that the D. P. S. was dissolved by decree on 31st March, 1951. The reasons given by the Government were that the party had ceased to support Economic Union with France, as it had in 1947 when it was first licensed¹. The whole issue of the banned parties is discussed in Part Two of this Report. The increase in the number of blank votes between 1947 and 1952 is indicative that the question of the future status of the Saar is becoming increasingly the major political issue. Even now, however, it would be wrong to say that it is the chief concern of the average Saar voter. In 1947 he or she was chiefly concerned with recovery from the ravages left by the War. To-day, the return of prosperity has given him more leisure to think of his political future. But his chief desire is that he should not be called upon to re-decide the whole basis of that future every few years; that the Saar should cease to be a "problem"; and that he should be allowed to pursue his industrious ways in peace.

11. The Saar in its present European setting.

166. The preceding paragraph foreshadows the Third Part of this Report, in that it looks forward to a solution of the Saar problem. It also raises the question of the Saar's external relations. These have been almost exclusively concerned with the relationship with France and Germany, and the position of the Saar in the nascent European institutions. The course of the Franco-German negotiations in 1952 was followed with eagerness and disappointment in the Saar. The question of the Saar's entry into the Council of Europe and its position in the E. C. S. C. caused interest and concern. The substance of this latter issue is considered elsewhere²; but its relevance at the conclusion of this essay is nevertheless clear. It is not the rôle of history

"to point a moral, or adorn a tale"

still less is it to see the march of past events as leading inevitably to the realization of what may be held desirable for the present³. But after recording the way in which the Saar has so long been an element of discord, it is fitting to conclude by quoting the view of the Saar Government:

"Here, in this borderland, constantly affected by every military and political conflict, the wish and will for a United Europe have become especially strong after the bitter experiences of the recent past."⁴

⁽¹⁾ cf. paragraph 153 above.

⁽²⁾ See Section B of the Report, paragraphs 297-302 below.

⁽³⁾ cf. paragraph 3 above and Part Three, paragraph 5.

⁽⁴⁾ *Memorandum of the Saar Government*, p. 23. Second Edition, September, 1952.

APPENDIX

THE ELECTIONS OF 5th OCTOBER, 1947 AND 30th NOVEMBER, 1952

	1947		1952	
	figures	%	figures	%
Abstained	22,228	4.3	43,171	6.9
Submitted invalid voting papers	49,062	9.4	141,792	22.8
C. V. P. (Christian People's Party)	230,082	44.2	239,421	38.5
S. P. S. (Social Democratic Party)	147,292	28.3	141,883	22.8
K. P. (Communist Party)	37,936	7.2	41,410	6.6
D. V. P. (German People's Party)	Party did not exist		14,720	2.4
D. P. S. (Democratic Party)	34,255	6.6	Party not licensed	
Entitled to vote :	520,855	100	622,397	100

Source : Amtsblatt des Saarlandes.

167. In 1947 the franchise included all those over 21 of either sex, provided they were either born in the Saar, had at least one parent born in the Saar, or had been resident in the Saar for a minimum of ten years between June, 1919, and January, 1935. Twenty thousand "former Nazis and war criminals" were excluded¹. In 1952 the franchise was applied as laid down in Article 66 of the Constitution, which enfranchised all Saarlanders of either sex over 20 years of age and resident in the Saar.

168. Both elections were free in the sense of secrecy by ballot and other democratic safeguards². The following comment made by M. Karweina, representing the Northwest German Radio (N W D R), may be regarded as typical of those made by the several hundred journalists who attended the elections:

"I consider that the election took place in a proper fashion. I visited numerous polling booths and was able to ascertain that the checking of voting papers and all the other necessary electoral operations were carried out in a perfectly regular way. In the evening I was present at two places where the votes were being counted and I saw with my own eyes that everything was in order."³

The question of the freedom of the elections from the point of view of freedom of association is considered in Part Two of this Report⁴.

169. The interpretation of the voting figures is still a matter of controversy. Certain German sources have claimed that all those who did not vote specifically for the CVP., SPS., or DPS. parties (36.3%) represented Opposition votes. Certain French circles have claimed that the majority of the 6.6% who voted Communist

⁽¹⁾ But cf. also Part Two of this Report, paragraph 48.

⁽²⁾ cf. Part Two paragraphs 6-9.

⁽³⁾ Broadcast discussion concerning the elections among six international journalists, 1st December, 1952.

⁽⁴⁾ Paragraphs 10-22.

did so for reasons unconnected with the "pro-German" issue; that, in view of the percentage of abstentions at previous Saar elections (1935, 2.1 %; 1947, 4.3 %, 1949 municipal elections 11.4 %) and the heavy and continuous rain on polling day, the figure of 6.9 % abstentions may be regarded as little, if anything, above normal, and that, although the percentage of blank or invalid voting papers grew notably from 1947 to 1952 (9.4 % to 22.8 %), at least 3 % of these votes must be regarded as normal in any democratic election. For these reasons they conclude that not more than 20—22 % of the votes would have gone to the "pro-German" parties, had these been licensed. No verdict can be passed with certainty on these differing interpretations, but it is instructive to observe the percentage of abstentions and invalid voting papers in the most recent general elections in Member States of the E. C. S. C.

	Abstentions	Invalid voting slips
Belgium (12th March, 1950)	7 %	2.9 %
France (17th June, 1951)	21.9 %	2.1 %
Netherlands (25th June, 1952)	5 %	3 %
Italy (7th June, 1953)	6.2 %	4.4 %
Germany (6th September, 1953)	—	—

170. Behind the questions considered in the proceeding paragraph is the larger issue of to what extent votes cast in a domestic election can in any way be considered the equivalent of a plebiscite¹.

⁽¹⁾ cf. Part Two of this Report, paragraph 41.

B

**LEGAL ASPECT
OF THE SAAR PROBLEM**

A. LEGAL ASPECTS OF THE INTERNATIONAL REGIME IN THE SAAR BASIN, 1920-1935

I. — *Creation of the international regime.*

171. The Treaty of Versailles laid down a special system for the Saar Basin, which was to last for a period of fifteen years after the Treaty came into force¹ (Section IV, part III, Articles 45—50 and Appendices). This system was based on three main principles :

- (1) Cession of the coal-mines to France ;
- (2) Institution of a political system to guarantee the free working of the mines, together with measures to safeguard the rights and interests of the population ;
- (3) Holding of a plebiscite at the end of 15 years "to indicate the sovereignty under which they (the inhabitants of the Saar Basin) desire to be placed"².

1. Cession of the mines to France.

172. Article 45 of the Versailles Treaty stipulated that "as compensation for the destruction of the coal-mines in the north of France and as part payment towards the total reparation due from Germany for the damage resulting from the war" Germany was to cede to France the coal-mines situated in the Saar Basin

"in full and absolute possession, with exclusive rights of exploitation, unencumbered and free from all debts and charges of any kind."

173. The rights thus conceded to France were set out in Chapter I of the Appendix, of which Clause 1 runs as follows :

"From the date of coming into force of the present Treaty, all the deposits of coal situated within the Saar Basin... become the complete and absolute property of the French State. The French State will have the right of working or not working the said mines, or of transferring to a third party the right of working them, without having to obtain any previous authorisation or to fulfil any formalities ..."

Clause 2 added :

"The right of ownership of the French State will apply not only to the deposits which are free and for which concessions have not yet been granted, but also to the deposits for which concessions have already been granted, whoever may be the present proprietors ..."

Clause 11 declared :

"The mines and other immovable property which become the property of the French State may never be made the subject of measures of

(¹) 10th January, 1920.

(²) Article 49 of the Versailles Treaty. But *cf.* also Clause 35 of the Appendix to that Treaty, paragraph 178 below.

forfeiture, forced sale, expropriation or requisition, nor of any other measure affecting the right of property.”

And, finally, Clause 15 provided that :

“The French State shall enjoy complete liberty with respect to the distribution, despatch and sale prices of the products of the mines and their accessories and subsidiaries.

Nevertheless, whatever may be the total product of the mines, the French Government undertakes that the requirements of local consumption for industrial and domestic purposes shall always be satisfied in the proportion existing in 1913 between the amount consumed locally and the total output of the Saar Basin.”

2. Institution of a special political system.

174. An analysis of the system set up under the Versailles Treaty reveals that the Saar Basin was severed from Germany by means of suspending German sovereignty, and substituting trusteeship of the League of Nations for the powers previously exercised by the German Government. Thus, Article 49 of the Versailles Treaty laid down that “Germany renounces in favour of the League of Nations, in the capacity of trustee, the government of the territory”.

Clause 16 of the Appendix stated :

“The government of the territory of the Saar Basin shall be entrusted to a Commission representing the League of Nations. The Commission shall sit in the territory of the Saar Basin.”

Clause 17 :

“The Governing Commission... shall consist of five members chosen by the Council of the League of Nations.”

Clause 19 :

“Within the territory of the Saar Basin the Governing Commission shall have all the powers of government hitherto belonging to the German Empire, Prussia or Bavaria ... Its decisions shall be taken by a majority”.

while Clause 23 stipulated that :

“The laws and regulations in force in November 11th, 1918, in the territory of the Saar Basin (except those enacted in consequence of the state of war) shall continue to apply. If, for general reasons, or to bring these laws and regulations into accord with the provisions of the present Treaty, it is necessary to introduce modifications, these shall be decided on and put into effect by the Governing Commission, after consultation with the elected representatives of the inhabitants in such a manner as the Commission may determine.”

175. The taxation, financial and customs régimes were defined in Clauses 26, 32 and 31 :

“The Governing Commission will alone have the power of levying taxes and dues in the territory of the Saar Basin.” (Clause 26.)

“No prohibition or restriction shall be imposed upon the circulation of French money in the territory of the Saar Basin. The French State shall have the right to use French money in all purchases, payments, and contracts connected with the exploitation of the mines or their accessories and subsidiaries.” (Clause 32.)

"The territory of the Saar Basin ... shall be made subject to the French customs régime ...". (Clause 31.)

176. Clause 30 laid down that there would be no military service for the inhabitants of the territory and that the construction of fortifications was forbidden.

"Only a local gendarmerie for the maintenance of order may be established. It will be the duty of the Governing Commission to provide in all cases for the protection of persons and property in the Saar Basin."

177. Certain human rights were safeguarded in Clause 28 :

"Under the control of the Governing Commission the inhabitants will retain their local assemblies, their religious liberties, their schools and their language.

The right of voting will not be exercised for any Assemblies other than the local Assemblies, and will belong to every inhabitant over the age of twenty years, without distinction of sex."

3. *The Provisions for the Plebiscite.*

178. Article 49 provided that :

"At the end of fifteen years from the coming into force of the present Treaty the inhabitants of the said territory shall be called upon to indicate the sovereignty under which they desire to be placed."

But Clause 35 of the Appendix laid down that :

"The League of Nations shall decide on the sovereignty under which the territory is to be placed, taking into account the wishes of the inhabitants as expressed by the voting".¹

179. The Plebiscite was to be based on the *three following choices* :

- (a) Maintenance of the system established under the Treaty and the Appendix ;
- (b) Union with France ;
- (c) Union with Germany.

In the first event, it was stipulated, the mines would remain the property of the French State. In the third they would be repurchased by Germany from France "in their entirety at a price payable in gold." (Clause 36); but "the French State and French nationals shall have the right to purchase such amount of coal of the Saar Basin as their industrial and domestic needs are found at any time to require". (Clause 37.)

180. The device of a deferred referendum was also used in the Peace Treaty in the cases of Schleswig, East Prussia and Upper Silesia, but the period before the referendum was much shorter (three weeks, six months and eighteen months respectively). These areas were also administered by international Commissions, but they did not possess any of the governmental powers vested in the Governing Commission of the Saar Basin.

⁽¹⁾ cf. paragraphs 111 and 119 above.

II. — Analysis of the legal system established under the Versailles treaty.

1. Legal Statute of the Saar Basin.

181. Jurists have deliberated at length on the question of defining the legal status of the Saar Basin under the trusteeship of the League of Nations, and remarkable theories have been propounded¹. These theories have now however, only an academic interest, as their aim was to resolve the difficulties created by the omissions of the Versailles Treaty. Moreover, modern developments in the concept and practice of international organisations have made it possible for them to exercise both governmental and administrative powers. An international organisation is to-day regarded as having the necessary capacity (personality and powers) to assume responsibility for the maintenance of internal order among, and the external protection of, the population of a given territory. This is borne out by the various examples of United Nations trusteeship and the systems envisaged for Jerusalem and Trieste².

2. The Governing Commission.

(a) *Composition*³

182. Clause 17 of the "Saar Statute" (as the Appendix was called) laid down that the Governing Commission should include one French citizen, one non-French Saarlander, and "three members belonging to three countries other than France or Germany".

(b) *Chairmanship*⁴

183. On the 13th February, 1920, the Council of the League accepted a report made by the Greek Representative, M. Caclamano, which proposed that a Frenchman, M. Rault, be appointed Chairman on the ground that:

"The welfare of the population of the Saar and the necessity of maintaining order in this region require a very close collaboration between the French Government, which by the Treaty controls a very important part of the economic life of the Basin, and the Governing Commission, to which the Council entrusts its administration. This collaboration cannot be better ensured than by the relations which a French Chairman of the Commission would maintain with the French Government by his knowledge of the details of French administration."⁵

(c) *Powers*

184. The Council of the League allowed the Commission to lay down its own rules of procedure and the responsibilities of its individual members. Periodical reports were to be made to the Council, and the Members of the Commission were to be guided only by the interest of the inhabitants of the Saar Basin⁶.

185. As has been pointed out above, the powers of government formerly exercised by Germany had been transferred to the League (Clause 19). This meant that when the League delegated the exercise of its powers to the Governing Commission,

⁽¹⁾ H. Wehberg, *Die Staats- und Völkerrechtliche Stellung des Saargebietes* (München-Gladbach, 1924).

⁽²⁾ *cf.* Appendix to this Report.

⁽³⁾ *cf.* Section A of this Report, paragraph 90 above.

⁽⁴⁾ *cf.* Section A of this Report, paragraph 91 above.

⁽⁵⁾ *League of Nations Official Journal* (L. N. O. J.) No. 2, March, 1920, p. 46.

⁽⁶⁾ Articles III, IV, and VIII of the Directions to the Governing Commission adopted by the Council of the League 13th Feb., 1920.

that body was at one and the same time possessed of executive, legislative and judicial powers. In the case of the judicial powers granted, the Governing Commission was to establish a Court of Appeal (Clause 25)¹; but it was the duty of the Commission acting as the executive "to provide in all cases for the protection of persons and property in the Saar Basin" (Clause 30), while Clause 33 laid down that "the Governing Commission shall have power to decide all questions arising from the interpretation of the preceding provisions."²

(d) *Internal Organisation*

186. Each member of the Commission was put in charge of one or more ministerial departments and granted sole authority therein. In the case of decisions which concerned amendments to the laws, or regulations which involved financial considerations, however, the case was brought before the Commission as a whole, which decided by a majority vote³. Once the vote was taken, the opinion of the majority became that of the deliberating body as a whole. Here the Commission adopted, not the judicial system of dissenting opinions, but the governmental system of collective responsibility. By the provisions of Clause 18 of the Appendix, the Chairman was to "act as the executive of the Commission".

(e) *Seat*

187. The Governing Commission chose Saarbrücken as its seat⁴.

3. *Local Autonomy.*

188. The wide and unusual nature of the powers granted to the Commission served considerably to restrict the local autonomy of the Saarlanders. Clause 23 of the Appendix provided that :

"if it is necessary to introduce modifications, these shall be decided on and put into effect by the Governing Commission after consultation with the elected representatives of the inhabitants in such a manner as the Governing Commission may determine,"

and that

"in fixing the conditions and hours of labour the Governing Commission is to take into consideration the wishes expressed by the local labour organisations."

(¹) cf. paragraph 195 below.

(²) The extent of the Commission's powers are well indicated by the conclusion of the same clause (33) :

"France and Germany agree that any dispute involving a difference of opinion as to the interpretation of the said provisions shall in the same way be submitted to the Governing Commission, and the decision of a majority of the Commission shall be binding on both countries."

(³) It is of interest to note that considering any matter dealt with in the Appendix to the Versailles Treaty concerning the Saar "the decisions of the League Council will be taken by a majority" (Clause 40). Normally decisions of the Council of the League were subject to the veto (Article 5 of the Covenant). cf. Article 27 (3) of the Charter of the United Nations.

(⁴) cf. Clause 16 of the Appendix to the Versailles Treaty and Article II of the Directions for the Governing Commission. In this connection, the following passage of the Caclamanos Report is of interest :

"A Petition has been addressed to the League of Nations by the Mayor and Municipality of Saarlouis, requesting that the city of Saarlouis, on account of its importance and its situation, be chosen as the capital of the territory of the Saar Basin.

Since the provisions of the Appendix relative to the Saar Basin grant to the Commission the right to choose its seat, I have the honour to propose that this Petition be submitted for consideration to the Governing Commission of the Saar Basin."

In the event, as has been noted, Saarbrücken was chosen as the seat of the Governing Commission, and Saarlouis as the seat of the Supreme Court of Justice.

Similarly, clause 26 stipulated that :

“No new tax except customs duties may be imposed without previously consulting the elected representatives of the inhabitants.”

Clause 28 laid down :

“Under the control of the Governing Commission the inhabitants will retain their local assemblies, their religious liberties, their schools and their language.”

189. To satisfy popular demand for a responsible government¹ the Commission promulgated a Regulation on 24th March, 1922, which established two Assemblies, one elected by the inhabitants (the “*Landesrat*”) and another smaller one appointed by the Government (the “*Studienausschuss*”). The *Landesrat* was composed of 30 members elected by direct universal suffrage under a system of proportional representation, with provision for secret ballot. It was convened by the Chairman of the Commission and was required to meet at least once every three months. Its members were appointed for three years. The *Studienausschuss* consisted of at least 8 members appointed by order of the Governing Commission. Their term of office, which was renewable, was fixed at one year. These Assemblies were only advisory in character. They possessed neither the parliamentary right of initiation nor that of “interpellation”. Their members were not entitled to parliamentary immunity.

190. The system established under Clauses 23 and 26 of the Appendix to the Versailles Treaty did not satisfy the political parties of the Saar, despite the improvements introduced by the Regulation of 24th March, 1922. On 18th March these parties adopted a resolution worded as follows :

“Being mindful of their responsibility towards the population of the Territory, and ready to co-operate loyally with the Governing Commission on the basis of political equality and participation in the government of the country the parties request the Governing Commission to institute forthwith a body representing the people [they] further request that the Assembly to be created shall possess the full right to participate in the government of the country and that its deputies shall be entitled to immunity.”

191. The League of Nations, however, held that the request of the political parties could not be satisfied without violating the formal provisions of the Treaty itself, which had vested in the Governing Commission both the powers of the German, Prussian and Bavarian Governments and the powers of the German Reichstag, to which the League of Nations had succeeded. Moreover, it was held to be impossible to make the Governing Commission responsible at the same time both to the League of Nations and to the Saar Parliament². The Resolution of 18th March, 1922, was designed to anticipate these objections by proposing that the League of Nations should act as arbitrator in the event of conflicts between the local Parliament and the Governing Commission, the latter thus ceasing to be responsible to the Council in the first instance.

192. The Governing Commission enjoyed as extensive powers in respect of the League of Nations as it did in respect of the local population. The Treaty provided that the members of the Commission should be appointed for one year and might be re-appointed. They could be removed by the Council of the League of Nations which undertook to provide for their replacement (Clause 17). The stringency of

⁽¹⁾ See Section A of this Report, paragraphs 92 to 94 above.

⁽²⁾ L. N. O. J. March, 1922.

this right of appointment and removal was mitigated by the assurance given to the members that, except in abnormal circumstances, they could rely on being re-appointed, so that the continuity necessary for the conduct of business might not be broken, and in order to avoid the political difficulties which annual re-appointments would occasion. It is easy to imagine, therefore, how delicate a matter the exercise of this "right of removal" became. The Directions given to the Commission stipulated (Article VIII) that the Commission should report to the Council of the League of Nations through the Secretary-General on its administration of the territory; but in practice these reports dealt only with major questions, and did not enter into the details of everyday administration. Nor did the minutes of the meetings of the Commission, which were transmitted at the same time as the reports, afford much further clarification. The Council of the League never claimed the right to intervene in the administration of the territory — it was not even accorded the powers of arbitration granted to it, for instance, in the case of Danzig. In the Saar neither of the two parties had the right to appeal to the Council against decisions of the Governing Commission. It is true that it became customary to recognise the possibility of the Council hearing as of grace petitions against decisions of the Commission, in cases where the complaint emanated from the German Government, or from the local inhabitants (in this latter case, through the medium of the Commission). More often than not, however, the results of such appeals only confirmed the decisions of the Commission. In certain cases the Council requested the Governing Commission to re-examine the case, but the latter always remained free in its decision, the League never imposing a specific course of action upon it.

193. The idea underlying the passivity of the League of Nations was that it was impossible to govern a country from a distance. It was currently said that "one cannot govern from afar or by means of texts, but only on the spot by means of persons."

194. Under a Regulation of 21st July, 1920, the territory of the Saar was accorded a flag and coat-of-arms. The Governing Commission felt it should neither receive nor accredit diplomatic agents because it considered that as the territory of the Saar was not legally a State it could not possess diplomatic missions. The Commission did, however, issue *exequaturs* to foreign Consuls.

4. The Judicial System.

195. The Treaty of Versailles had made the following provision (Appendix, Clause 25) :

"The civil and criminal courts existing in the territory of the Saar Basin shall continue. A civil and criminal court will be established by the Governing Commission to hear appeals from the decisions of the said courts and to decide matters for which these courts are not competent. The Governing Commission will be responsible for settling the organisation and jurisdiction of the said court.

Justice will be rendered in the name of the Governing Commission."

196. In accordance with this provision a Supreme Court was set up by a Decree of 5th January, 1921, with a Swiss jurist as president. The citizenship of the remaining eight judges was as follows: Germany (2), France (2), Belgium (1), the Netherlands (1), Luxembourg (1), and Czechoslovakia (1). Its seat was at Saarlouis. For administrative disputes a Decree of 21st July, 1920, established a system for the territory as a whole and "on the one hand, set up administrative tribunals intended to replace the *Bezirksausschuss* sitting at Trier and the Senate

attached to the Chamber of the Interior of the Government of the Palatinate at Speyer and, on the other hand, an administrative High Court which was attached to the Supreme Court of Justice at Sarrelouis"¹.

5. Saar citizenship.

197. Saar citizenship was defined by a decree of the Governing Commission dated 25th June, 1921. After proclaiming the principle of the equality of all inhabitants of the territory before the law, the Decree laid down the essential conditions for enjoying the benefits of the territory's citizenship :

"All persons who were themselves born or whose parents were born in the Saar or who were legally resident in the territory before 11th November, 1918, have the status of citizen of the Saar by right, whatever may be their nationality or sex, after six months residence in the Saar Basin. Such status is also acquired by any person, of whatever nationality or sex, who has been resident in the Saar Basin for three years. This time-limitation is reduced to one year for those who fulfil public functions within the territory. Any person taking up permanent residence outside the Basin of the Saar loses their right to citizenship at the end of one year."

198. In a letter of 23rd August, 1921, the German Minister for Foreign Affairs protested against this decree, on the ground that the qualifications for obtaining Saar citizenship mentioned in this document were identical with the terms used in defining nationality. Thus, Saar citizenship could be acquired by a certain period of residence in the Territory and also by marriage. The Governing Commission rejected the arguments of the German Government, pointing out, in its reply of 7th October, 1921, that this definition of a Saar citizen was the natural result of the independent status of the territory itself, as recognised by the Treaty of Versailles. The German protest was subsequently rejected by the Council of the League of Nations, (11th January, 1922)².

6. International personality of the Saar Basin.

199. Although the territory of the Saar Basin was not a State, it constituted nevertheless a new subject of international law. This enabled it to conclude conventions and treaties³.

200. The Saar was able to join the Universal Postal Union and the Telegraphic Union, but not the International Union of Railways, owing to a German protest

(¹) Cf. The Report of the Governing Commission. L. N. O. J., August, 1920.

(²) The Council of the League of Nations did not, however, always support the Commission. Thus the Council upheld the complaint of the German Government and rejected the submission of the Commission when the latter thought fit to appeal to the French Government (13th February, 1920) to maintain garrison troops in the Saar. The Governing Commission based its decision on Clause 30 of the Appendix under which: "It will be the duty of the Governing Commission to provide in all cases for the protection of persons and property in the Saar Basin". Lord Robert Cecil stated in the Council debate :

"The Council has laid down the principle that, apart from the case of imminent danger, which is quite another matter, the system of garrisoning the Saar with French troops backed by the French Government and commanded by French officers is not a satisfactory one."

Cf. also Section A of this Report, paragraph 104 above.

(³) Cf. Letter from Secretary-General of the League of Nations to the Chairman of the Governing Commission of 26th July, 1920.

based on the fact that the Saar was not a State, by which the Convention could alone be signed. Transport between the Saar and Germany was, nevertheless, regarded as "international transport" so far as the Berne Convention was concerned, and the Saar Railways were given separate mention in the list of railway systems to which the Berne Convention applied¹. Mr. Wellington Koo, rapporteur for this matter to the Council of the League of Nations, informed that body that Article 366 of the Treaty of Versailles, which renewed the application of the Berne Convention to the High Contracting Parties, was also valid for the Saar Basin, by reason of the third paragraph of Clause 22 of the Appendix to the Versailles Treaty². In the case of the other Powers which were signatories of the Berne Convention, this opinion was based partly on the fact that the Convention had been signed by Germany, and partly on the consequences of the changed status of the Saar Basin which resulted from the Treaty of Versailles.

201. By a Decree of the Governing Commission, dated 7th July, 1920, the protection of Saar interests abroad was entrusted to the French Government. This Decree was based on the provisions of Clause 21: "It will be the duty of the Governing Commission to ensure, by such means and under such conditions as it may deem suitable, the protection abroad of the interests of the inhabitants of the Saar Basin." This right was contested by the German Government (30th December, 1920), which asserted that the Governing Commission had no right to assume protection of the rights of Saar citizens living abroad, but only of the foreign interests of Saar citizens. The German interpretation was rejected on the grounds that "as the status of a Saar citizen does not extend beyond one year from the date of his leaving the Territory, there is no danger that the right of the Governing Commission to protect its 'dependents' might result in excessive powers."³

(1) See the opinion of the League of Nations Consultative and Technical Commission on Communications and Transit, 26th September, 1921.

(2) "Persons, goods, vessels, carriages, wagons and mails coming from or going to the Saar Basin shall enjoy all the rights and privileges relating to transit and transport which are specified in the provisions of Part XII (Ports, Waterways and Railways) of the present Treaty."

(3) In practice the Saarlanders complained that French Consuls abroad showed little zeal in protecting their interests, appeals in respect of which, by the above decision, German Consuls were forbidden to entertain.

B. THE LEGAL STATUS OF THE SAAR SINCE 1945

I. — *The provisional nature of the present Saar Statute*

1. *Legal basis of the Statute.*

202. An interesting feature of the present legal position of the Saar is to be found in the opening words of the Saar Constitution which read: "The People of the Saar ..." ¹.

203. No intentional or conscious act of secession underlay this affirmation. It sprang rather from the condition of Germany after the Second World War. The Third Reich was disintegrating. Certain areas came under the control of the U. S. S. R. ; others under the control of Poland, France and the Netherlands. The remainder was divided between the German Democratic People's Republic and the German Federal Republic. That is why the Basic Law of the Federal Republic of 6th May, 1949, although it does not, for instance, include the Saar, makes provision in Article 23 for the contingency that "it (*i. e.* the Constitution) will be put into force for other parts of Germany on their accession".

204. All these arrangements are, of course, of a provisional nature, since it was agreed by the Allied Powers at Potsdam that they would not in any way prejudice the conclusion of the Peace Treaty. Later, when it became apparent that the likelihood of a final settlement by means of a Peace Treaty was becoming more and more remote, the formula: "the Peace Treaty or treaty in lieu of such" was used.

205. In a similar sense, the Saar Constitution of December, 1947, also represented a provisional settlement ². As such it was based on the consent of the only authority competent to act on behalf of the German State at that time, namely the Allied Powers, to which, in May, 1945, the German Reich had surrendered unconditionally. Everything that has taken place in the Saar since that date has been legal insofar as it has been recognised by the Allied Powers, and so long as events are the outcome of, and warranted by, such recognition.

206. The basis of the present position in the Saar is to be found in the Preamble to the Constitution, of which the text runs as follows:

"The People of the Saar,

"Called, after the collapse of the Reich, to renew the principles of its cultural, political, economic and social life;

Deeply conscious of the fact that their existence and their future can be assured by the organic integration of the Saar in the economic system of the French Republic;

Placing their confidence in an international Statute upon which their national life and economic recovery may be founded;

Base their future upon the economic union of the Saar with the French Republic, and upon a currency and customs union with that State; from which principles derive:

⁽¹⁾ French text: *Le peuple sarrois*; German text: *Das Volk an der Saar*.

⁽²⁾ *cf.* Part Two of this Report, paras. 37-38.

- the political independence of the Saar from the German Reich ;
- the military defence of the Saar territory and the representation of its interests abroad by the French Republic ;
- the application of French monetary and customs laws in the Saar ;
- the attribution to a representative of the Government of the French Republic of a power of ordinance, in order to guarantee the maintenance of the currency and customs union, as well as of a general right of supervision, so as to ensure the observance of the Statute ;
- the setting up of a judicial organisation in such fashion as to ensure the necessary unity of jurisprudence within the framework of the Statute”.

207. The Moscow Conference recorded the recognition by three of the Four Allied Powers of the position of the Saar at that time¹. Nevertheless, the Western Allies of France laid down a number of conditions. The United Kingdom demanded a firm delimitation of the frontiers of the territory, and a readjustment of Germany's reparation payments to France. The United States insisted upon a scrupulous safeguard of the political autonomy of the Saar and the right of its people to settle their own local affairs. Moreover, the United States took the term “Territory of the Saar” to mean the area in which the plebiscite had been held in 1935². It was willing to consider only minor rectifications of the frontiers, and those solely on the condition that they were clearly justified³.

2. *Legal implications of the Statute.*

208. The essential feature of the Statute is therefore its conditional character. This was formally recognised by the Allies in their reply of 3rd August, 1951 to the letter of 29th May, 1951 from the Chancellor of the German Federal Republic, in which “the three Governments reaffirmed their view that the final Statute of the Saar should be determined by the Peace Treaty or by a Treaty in lieu of such”⁴.

209. The attitude of the Saar is expressed in the fourth paragraph of the Preamble, which refers to the future international Statute upon which the national life of the Saar is to be founded. This is generally accepted to mean that the whole Constitution is contingent upon this international Statute, and in turn looks forward to a European solution of the problem⁵.

210. The conditional character of the present régime is also confirmed by the Conventions between France and the Saar. Thus, the Convention concerning the administration of the Saar Railways declares in its Preamble that “its conclusion shall not prejudice the provisions of the Peace Treaty”. The new Franco-Saar Mines Convention signed on 20th May, 1953 contains a similar provision in its Preamble, while Article 2 provides that the Convention shall remain operative until the entry into force of the peace settlement “at which time, if the coalfields are recognised to be the property of the Saar, the Convention shall be prolonged for a period of 50 years from the entry into force of the Convention signed on 3rd March, 1950”.

(¹) For the whole of the ensuing Section, *cf.* Section A of this Report, paragraphs 143 to 147 above.

(²) *i.e.* as defined in Article 48 of the Versailles Treaty.

(³) *cf.* Section A, Map. p. 47 and paragraph 142 above, and Section C, paragraphs 453-462 below.

(⁴) *cf.* Section A, paragraph 148 above.

(⁵) *cf.* Article 17 of the General Convention signed 20th May, 1953.

II. — The Franco-Saar Conventions

211. Reference has already been made to the development of Franco-Saar Conventional relations¹, which led, on the 20th May, 1953, to the signature of seven new Conventions. The strict legal position is that at present these Conventions have no binding force, since they have not yet been ratified². This ratification is, however, likely to occur in the autumn of 1953; thereafter there will exist two classes of Conventions: those newly ratified, and the earlier Conventions still remaining in force. This latter category may be again sub-divided into those which belong to the group of 12 Conventions signed on 3rd March, 1950, and those which date from the years 1948-9.

212. The provisions of the 25 Conventions³ are little known outside a few specialised circles, but the full text of each merits the most careful study⁴. No solution of the Saar problem can be reached without taking their existence into account. In the paragraphs which follow your Rapporteur has attempted to give a brief summary of the Conventions; without, however, making a detailed legal commentary thereon, lest this Report should be rendered yet more lengthy⁵.

(a) The Conventions of 20th May, 1953

1. The General Convention.

213. It is stated in the Preamble to the General Convention that the provisions for Franco-Saar relations therein contained are intended to render more easy the creation of a European Statute for the Saar.

214. Article 1 recalls that there is a monetary and customs union of the two countries, from which is derived an economic union. So far as currency and customs matters are concerned the Saar is therefore subject to French laws and regulations. It is, however, concerned in the elaboration and implementation of these. There is further provision to the effect that laws and regulations which substantially affect Saar interests shall, except in urgent cases, be submitted to the Saar Government for an opinion. Furthermore, any measures taken after the entry into force of the Convention are to be given effect by order of that Government. Lastly, special measures may be taken in matters of Government credit in order to take into account the special conditions which exist in the Saar.

215. The Saar may maintain consular and diplomatic relations and conclude international agreements. However, at the request, of the Saar Government the French Government may represent and protect the Saar's interests in countries and international bodies where it is itself unable to do so.

216. All persons domiciled or resident in the Saar, including French nationals, are subject to Saar laws except where specifically the Agreement makes provision to the contrary. The Saar authorities are responsible for public law and order.

⁽¹⁾ See paras. 160-161 above.

⁽²⁾ Article 97 of the Constitution lays down that the Saar Landtag must approve all such Conventions and Agreements. *cf.* Article 18 of the new General Convention.

⁽³⁾ After the ratification of the new Conventions, only 18 of these will remain in force, together with certain Articles of the Convention on Reciprocal Judicial Aid of 3rd March, 1950.

⁽⁴⁾ See "Saar Report: Basic Documents", Doc. SG/A (53) 1.

⁽⁵⁾ *cf.* G. Schaeffer, *Des problèmes de droit judiciaire que pose l'Union économique franco-sarroise*, (Paris, 1953). Pierre Laurent, *L'Union Franco-Sarroise d'après les Conventions conclues entre la France et la Sarre de 1948 à 1950* (Journal du Droit International, March, 1952).

217. Subject to the provisions of later international agreements, France shall be responsible for the defence of the Saar within the framework of defence of the free world. In the event of the external security of France and the Saar being attacked or seriously threatened, the French Government may, by arrangement with the Saar Government, declare a state of emergency in the Saar.

218. Disputes concerning the interpretation and the implementation of the Conventions will be submitted to a Bipartite Commission set up for this purpose, which will consist of six members, three of whom are appointed by each Government. Should this Bipartite Commission be unable to settle the dispute, either party may appeal to an Arbitral Tribunal of five members. The President of this Tribunal, appointed for a period of two years by joint decision of the two Governments, is to be neither a French citizen nor a native of the Saar, nor be in the service of either country. The four other members of the Tribunal will be appointed, two by each country, from a list of ten names prepared by their respective Governments. The decisions of the Tribunal will be taken by simple majority. The Convention provides furthermore that the two Parties may, by agreement, submit any dispute directly to the Arbitral Tribunal.

219. The Bipartite Commission and the Arbitral Tribunal may rescind a text or provide for the adoption of certain measures, and their decisions will be binding upon the two Governments. Should one of the Governments fail to carry out the obligations prescribed, the Arbitral Tribunal may, in order to ensure that these obligations are carried out, and at the request of one of the Parties, take any necessary decisions and order them to be published, thus making them binding upon all individuals and authorities.

220. Lastly, the General Convention, in its closing articles, emphasises that the two countries "undertake to adapt this Convention and the individual agreements, so far as may be necessary, when the Saar is granted European status". It also states, however that "pending the establishment of a European monetary and customs union, the Franco-Saar Monetary and Customs Union and the Economic Union deriving therefrom shall remain in force".

2. The Economic Convention.

221. The Economic Convention recalls in Article 1 that the French and Saar Governments undertake not to discriminate in any way within their territories between French and Saar products and services or between the supply of raw material allocated to undertakings in either country.

222. The French Government, it is stated, will bear in mind the special economic interests of the Saar when negotiating or carrying out trade, monetary or customs agreements. The Saar Government may furthermore arrange to be represented at negotiations connected with trade agreements.

223. Notwithstanding the fact that import licences applied for under trade agreements are normally issued by the appropriate French departments, provision has been made that, in the case of certain countries and certain products of special importance to Saar economy, licences may be issued directly by the branch of the Exchange Office at Saarbrücken. These licences are to be granted after a request has been made by the Saar Government and after consultation, where necessary, with Saar technical committees, to which France may appoint a qualified representative. So far as products subject to quota arrangements are concerned, the two Governments will decide jointly the quantities of products to be allocated to each country in such a way as to ensure that the requirements of both economies are fairly met.

224. The two Governments, it is made clear, wish, in particular, to preserve the balance of economic burdens borne by undertakings in the two countries. The Saar Government is to take all necessary steps to ensure that Saar companies may carry on their activities under the same conditions as French companies which come under existing French laws and regulations. In particular, it will ensure that taxation and social security charges affecting undertakings, as well as any subsidies or welfare services granted by it, shall correspond with similar burdens imposed on or services granted by the same kinds of undertakings in France.

225. Where the French Government considers that steps taken by the Saar Government may seriously disturb the economic balance of the two countries, it may submit the dispute to the Bipartite Commission or to the Arbitral Tribunal provided for under the General Convention. The Saar Government furthermore undertakes to apply a system of price-fixing in the Saar similar to that obtaining in France, and to ensure that similar price-levels are maintained for products or services which in France are subject to Government control.

226. The two Governments undertake, in a general manner, to encourage French and Saar professional organisations to co-operate as closely as possible in the economic field.

227. The articles of the Convention which follow provide, in particular, that the French Government may grant permanent credits to the Saar Government, free of interest, but the ceilings of which are to be subject to certain conditions. The Saar Government may issue short-term bills at rates and for periods similar to those for bills issued by the French Treasury, and enjoying the same recall facilities. The Saar Discount Bank acts as the correspondent of the Bank of France in Saarbrücken.

228. A Saar Credit Council is also to be established, for the composition and organisation of which the Saar Government, it is stated, will be responsible. A member representing the Saar, proposed by the Saar Government, will be appointed by the French Government to the French National Credit Council (*Conseil National du Crédit*). No special measure concerning the Saar may be taken by the French National Credit Council without a prior opinion being obtained from the Saar Credit Council.

229. Finally, so far as credit institutes with special legal status are concerned, a Control Committee shall be responsible for determining the powers and competence in the Saar of the Bank Control Commission which was set up under the French law of 13th June, 1941 (control and organisation of the banking profession).

3. Convention on the joint operation of the mines in the Saar.

230. The Preamble announces the intention of both France and the Saar to "associate in order jointly to ensure the efficient administration of the mines" in the Saar, so as to preserve their competitive ability within the E. C. S. C., and reaffirms that the Saar "is entitled" to receive ownership of these mines in the future peace settlement. For the purpose of such joint administration a new company is to be set up, known as the *Saarbergwerke* (S. B. W.). This company is to be a public and corporate body with financial autonomy.

231. The Convention is to remain in force until the peace settlement. Should the coalfields and installations then be recognised as Saar property, the validity of the Convention will be automatically extended to fifty years from the date of the entry into force of the Mines Convention of 3rd March, 1950. It may be amended in cases where technical, economic or social changes radically affect the working of the mines.

232. The S. B. W., it is explained, will replace the "*Régie des Mines de la Sarre*" (Saar Mines Authority) in all its rights and obligations. The S. B. W., in which the employment of workers of all kinds is to be determined by their professional skill, will be considered as a commercial enterprise for the purposes of its relations with third parties.

233. Within the framework of the E. C. S. C., the S. B. W. will regulate the distribution and prices of its products in the common interests of the French and Saar economies, having particular regard to the industrial needs of the Saar.

234. The S. B. W. will be subject to the general fiscal regulations applicable to industrial undertakings; a special mining contribution will, however, be levied to ensure that taxation corresponds with that borne by French mining companies.

235. A considerable part of the profits derived from the working of the mines will be used for social security purposes, the remainder being reserved for the repayment of advances made from time to time by the two States. Any deficit will be met by advances, free of interest, made in equal amounts by the two States. The Convention also provides for the possibility of loans being granted or guaranteed on an equal basis by the two States.

236. The company will be administered by a Board of Directors and a Mines Council. The Mines Council will consist of twenty members, ten of whom will be appointed by France and ten by the Saar. It will elect its own President, who must be of Saar nationality if the Managing Director is a French citizen and *vice versa*. All general questions concerning financial administration, investments, staff, social policy, and purchases and sales made by the company must be submitted to the Mines Council for prior approval. The Council will take its decisions by simple majority, failing which, or in the absence of a joint decision by the two Governments, recourse will be had to the conciliation or arbitration procedure provided for in the General Convention. Decisions of the Council about financial questions which concern the undertaking as a whole are to be submitted to the two Governments for approval.

237. The Board of Directors will consist of five directors, of whom at least two must be nationals of the Saar and at least two of French nationality. On the proposal of the Mines Council, the two Governments will appoint one of these to be Managing Director for a period of five years. The other Directors will be appointed for the same period by the two Governments upon the recommendation of the Managing Director and after consultation with the Mines Council. The Management Committee is to administer and represent the S. B. W.

238. A committee of four auditors, two appointed by each Government, must approve the accounts.

239. Lastly, a permanent co-ordination committee will be appointed in order to ensure liaison between S. B. W. and the French Coal Board. It will have as its particular task that of advising on steps to be taken in order to ensure the essential co-ordination between the workings of S. B. W. and the requirements of French coalfields.

240. Three protocols are appended to the Mines Convention, relating respectively to :

- (i) The special fiscal arrangements applicable to the S. B. W.
- (ii) The rules of procedure of the Board of Directors, defining, in particular, the competence and powers of decision of the Managing Director.
- (iii) Settlement of the question of the Warndt.

241. *The protocol relating to the Warndt* consists of an agreement to entrust to a committee of five experts (of whom three will be neither French nor Saar citizens and of which the Chairman is to be appointed by joint decision of the two Governments) the task of finally determining the area and rental of the leasehold concerned. The Protocol takes account of the principle that wage-earners domiciled in the Saar and working in the leasehold territory of the Warndt are members of the Saar social security system. The Standing Co-ordinating Committee provided for in the Mines Convention will supervise the application of the leasehold contract concluded as the result of the Arbitral Tribunal's ruling.

4. The Fiscal and Budgetary Convention.

242. The Convention stipulates that the French Customs Authorities shall be responsible for implementing all French laws and regulations governing customs, foreign trade and currency control in the Saar. The French authorities may also be entrusted with the task of giving effect to import prohibitions or restrictions which may be promulgated by the Saar Government, at the frontiers of the Customs Union. An authority is to be appointed by the Saar Government to exercise the same powers as those vested in the "*Préfets*" under the French Customs Code, and a special agreement is to determine to what extent and in what conditions Saar nationals may be employed locally in the Saar by the French Customs Authorities. Lastly, where it has serious grounds for so doing, the Saar Government will be entitled to request the replacement of French Customs officials carrying out their duties in the Saar.

243. French regulations governing indirect taxation, turnover and similar taxes will be applicable in the Saar. Any further regulations in this respect made after the signature of the Convention must be introduced in the Saar by Government ordinance within three days of notification thereof being received by the Saar Government. Saar Government departments will collect dues and taxes in accordance with normal Saar fiscal procedure.

244. The Convention then deals with the tobacco monopoly, the manufacture of explosives and regulations concerning spirits.

245. A Saar Tobacco and Match Monopoly will be the sole body authorised to purchase or import these products. So far as purchases are concerned, however, it must apply to the French Monopoly, and may import directly only with the agreement of the competent French Government department. The Saar Monopoly may determine what characteristics shall be possessed by products manufactured in the Saar, but selling prices will be fixed by agreement with the French Monopoly so that, in cases where the quality is equal, Saar prices may not be lower than French prices. Sales in France and exports may be carried out only through, or with the authorisation of, the French Monopoly.

246. Explosives to be used for other than military purposes may be manufactured in the Saar either under a monopoly or by private industry, under the supervision of the Saar Government. Sales abroad will be subject to control by the French Monopoly.

247. French laws and regulations concerning spirits will be applicable in the Saar.

248. Subsequent articles deal with joint Franco-Saar receipts and expenditure, these being apportioned in relation to the population figures of the two States. Provision is made to compensate France for the cost, (over and above the expenditure incurred jointly), of implementing the Conventions, particularly with regard

to the defence of Saar territory. The Saar is required to pay France a sum not exceeding 5 % of its ordinary budget.

249. Provision is made in the final Articles of the Convention for the issue of small coinage in a given ratio to French currency and the population figures of the two States. Such small coinage will be legal tender in the Saar concurrently with, and to the same extent as, French currency. It will be minted at the *Hôtel des Monnaies* in Paris.

250. The provisions of the Franco-Saar Fiscal and Budgetary Convention as published in the *Journal Officiel* (French Official Gazette) of 26th January, 1948, are replaced by the new Convention, to which is added another *Convention on double taxation and common administrative assistance*. The provisions of this Convention are of the same kind as those of other bilateral agreements dealing with double taxation questions¹.

5. The Judicial Convention.

251. In a monetary and customs union in which the same law is to be applied in certain fields, it is statuat that special measures must be taken to ensure consistency of judicial decisions. Under the system hitherto in force the basic institution has been a joint Chamber with a French majority, responsible to a French Court of Appeal (*Cour de Cassation*). The new Convention modifies this system by placing the two countries as far as possible on an equal footing.

252. A Court of the Franco-Saar Union and a Supreme Court of the Franco-Saar Union have been set up and replace the Franco-Saar Chamber of the Court of Appeal of the Saar and the *Cour de Cassation*, and even in certain cases the *Conseil d'Etat*. These two judicial bodies have their seat at Saarbrücken. The Court of the Union judges matters of fact and is composed of three Saar magistrates, one of whom is President, and two French magistrates. The Supreme Court of the Union judges points of law, and comprises three French magistrates, one of whom is President, and the remaining two Counsellors of the *Cour de Cassation* or Counsellors of State, and two Saar magistrates. The Public Prosecutor for the Court of the Union is a French magistrate, and the Public Prosecutor for the Supreme Court of the Union is a Saar magistrate.

253. The Court of the Union is chiefly competent to hear appeals against decisions rendered by Saar courts, other than the labour tribunals:

- (a) in all matters where French law is applicable (chiefly in currency, customs and certain fiscal matters);
- (b) in all matters where Saar legislation, through the implementation of the Franco-Saar Conventions, corresponds with French legislation (*e. g.* in certain spheres of economic control).

254. The Supreme Court of the Union is a *Cour de Cassation*. In cases, however, where the responsibility of French public authority is disputed, the Court is the first and only judicial body which is competent to hear such cases.

255. Procedure before the Court of the Union is that normally obtaining in the Saar. That applicable before the Supreme Court is determined by that body. The official languages are German and French, and judgments are rendered in the

(¹) See Doc. SG/A (53) 1.

name of the peoples of France and of the Saar. They are enforceable in both France and the Saar without any special procedure.

256. Lawyers normally entitled to plead before French or Saar Courts may plead before these Courts. Special provisions have been adopted with regard to the judicial consequences of commitments assumed by France in respect of the defence of the Saar under the General Convention.

6. The Convention on Judicial Aid.

257. The new Convention on co-operation in legal matters is intended to make improvements and additions to the Convention of 1950. In particular, procedures for the serving and execution of writs have been simplified. The two Governments, it is said, will grant each other mutual administrative assistance in the transmission of documents, particularly those concerned with social security, declarations of residence and civil status.

258. The Convention also lays down the conditions under which witnesses are to appear and be heard; formalities for the exchange of criminal records have also been simplified. Provisions have been made with regard to the validity of driving licences in the two countries, and with regard to proceedings for the infringement of traffic regulations. Lastly, various revisions have been made in connection with prosecutions for fraud and for the adulteration of foodstuffs.

259. There are two Appendices to this Convention. The first Appendix is devoted to exequatur procedure in respect of judicial decisions rendered in either of the countries. The difficulties which have so far arisen in this connection have been met, and exequaturs will in future be more easily obtainable. The same Appendix lays down the rules governing the powers of the courts, thus making it possible to avoid conflicts of competence which might otherwise arise between the judicial authorities of the two countries.

260. The second Appendix deals with questions of extradition, and in most respects is modelled upon customary bilateral extradition agreements. The provisions of article 5¹ may be explained by the fact of French responsibility for the defence of the Saar.

(b) The Earlier Conventions

- (i) Those signed 3rd March, 1950.

1. The Convention on the Administration of the Saar Railways.

261. Organization of the "Saar Railways" as a company with judicial personality and financial independence, with its head offices at Saarbrücken. The Saar Government to place at the disposal of the company the capital necessary to repair the railway network and to ensure a sufficiency of rolling stock and permanent equipment. The rolling stock of the company to consist of 1) that formerly belonging to the German State Railways marked "Saar" at the entry into force of the Convention; 2) rolling stock assigned as the result of international agreements; 3) new rolling stock built for the Saar Railways. All staff employed on the date of entry into force of the Convention to be engaged by the Company, and the payment of pensions, etc., to continue.

⁽¹⁾ See Doc. SG/A (53) 1.

262. The Saar Railways to be administered by a Board of Directors composed of six French and six Saar members, of which the Chairman to be a Saarlander and the Vice-Chairman a French citizen. Of the six Saar representatives, two must represent the employees and one the Saar Chamber of Commerce and Industry; of the French representatives, one must represent the Saar Mines. The Board of Directors is to meet at least ten times per year, and its members are to be appointed for five years. The Standing Committee of the Board of Directors to consist of the Chairman, Vice-Chairman and one French and one Saar representative. The Saar Minister of Transport to have rights of control in certain financial matters, namely the annual budget, equipment and capital investment programmes, transport rates, and in the appointment of certain senior civil servants. The direct administration of the company to be the responsibility of a General Manager nominated by the Saar Government after consultation with the French authorities¹. The General Manager may not be a member of the Board of Directors, but attends Board Meetings. The number of French technicians appointed to assist the General Manager not to exceed five.

263. Fares and freight tariffs of the Saar Railways to correspond to those of the S. N. C. F. Disputes to be considered by the Franco-Saar Economic Commission².

2. The Convention on the establishment of nationals of the two countries and the exercise of their professional activities.

264. The general principle laid down in Section I of the Convention is that both French and Saar nationals shall enjoy the identical treatment in all property matters, and shall have complete freedom of movement within the territory of the Franco-Saar Economic Union.

265. Section II concerns regulations for the carrying on of crafts, and for commercial and industrial employees not in the receipt of a fixed wage. The principle is that Saar and French citizens shall be entitled to the same treatment, subject to certain safeguards. Those who benefit from the Convention must be of age, and produce a certificate from the competent Chamber of Commerce or Chamber of Crafts testifying to their professional status during not less than five years' pursuit of the same calling. There is to be no differentiation as to the issue of commercial travellers' licences, nor in the regulations governing hawking and peddling, or the conduct of markets and fairs. The same shall apply to the submission of public tenders, and Saar and French citizens shall be mutually eligible for election to each other's Chambers of Commerce and Chambers of Crafts.

266. Section III contains provisions concerning insolvency and bankruptcy, of which the most important is that all judgments rendered by the Courts of one country shall be accepted in the other. Section IV grants to the nationals of both countries the right to become members of each other's labour and employers' organisations. Section V lays down that the pursuit of professional occupations shall not require any form of permit. Section VI is entitled "The creation of a common labour market between France and the Saar", and is concerned chiefly with the exchange of information concerning the supply and demand of labour, for which inter-regional labour offices are to be set up. A Joint Commission consisting of manpower experts of the two countries is to "keep fluctuations in the labour markets of the two countries under close observation".

⁽¹⁾ M. Joseph Werner, a farmer member of the Board of Directors of the S. N. C. F., was appointed to this post on 7th September, 1950.

⁽²⁾ This Commission was created by Article 5 of the former Convention for the application of the Franco-Saar Economic Union signed 3rd March, 1950. It will be replaced by the Bipartite Commission envisaged in Appendix II to the new General Convention (*q.v.*), when that Convention is ratified.

267. Section VII is concerned with questions of professional training and technical education. French and Saar citizens are to have equal rights for admission to training institutions, and the diplomas awarded are to be considered valid in either country. At the same time encouragement is given to *stagiaires*, to the number of 500 per year. The provisions of Section VIII are designed to facilitate the activities of Saar and French farmers. The concluding section states that the Convention shall apply to Metropolitan France, Algeria and French overseas territories. Disagreements concerning the application of the Convention are to be submitted to a Joint Commission of five French and five Saar Members, with alternating Chairmanship. Decisions of the Joint Commission are to be taken by majority vote and have executive force in France and the Saar upon their publication.

3. *Convention on the Control of Insurance Companies.*

268. This Convention set up a "Control Office for Insurance Companies", of which a major aim is to reduce the differences between the systems applicable in France and the Saar. The Control Office consists of eight unpaid members, four French and four Saar citizens, of which the Presidency alternates between a French and a Saar member. Decisions are taken by a majority. One French and one Saar General Manager are responsible for the execution of the decisions of the Control Office. Certain decisions (authorization or prohibition of a business, transfer of policies, insolvency, *etc.*) are to be taken by three French and three Saar members assisted by one French and one Saar member of the "Insurance Companies Consultative Council". If this majority is not forthcoming, the question is to be settled by the Saar Minister of Economics, in agreement with the French Government. An appeal from decisions of the Control Office may be made to a special committee consisting of one French and one Saar member of that Office, one French and one Saar member of the "Insurance Companies Consultative Council", one Counsellor from the Franco-Saar Court of Appeal and one member of the Saarbrücken *Oberlandesgericht*. Differences concerning the application of the Convention have to be submitted to the Commission set up under the provisions of Article 5 of the Convention for the implementation of the Franco-Saar Economic Union¹.

4. *Convention on inland navigation.*

269. This Convention deals with technical matters concerning the upkeep of Saar waterways in general, retaining the Franco-German Frontier Treaty of 16th December, 1937 as its basis. Chapter I lays down that each country shall be responsible for the upkeep of its own waterways, but that there shall be close consultation over large-scale repairs and new constructions, such as ferries. France is responsible for the maintenance of the sluice system. French responsibilities in matters of dredging and rights in matters of fishing in the River Saar extend upstream from a point situated at kilometer 70.27, and Saar rights downstream from that point. The two Governments are to take joint measures to ensure the cleanliness of the river water. Chapter II deals with the announcement of changes in the nation level. Chapter III lays down that the police regulations for the canalised portions of the Saar River are to be based on the corresponding French regulations. French boats on the Saar River are exempt from inspections by the Saarbrücken Navigation Service. This latter body is, however, to have the monopoly of providing tug facilities north of the Enseldorf lock. Tariffs for tug operation are to be based on similar French rates. Chapter IV lays down that the French freightage

⁽¹⁾ See footnote to para. 263 above.

regulation, as defined in the law of 22nd March, 1941; shall be applicable in the Saar. Chapters V, VI and VII contain provisions for identification marks ("SA" instead of "D"), registration and ships' papers. Passport formalities for traffic on the Saar River are abolished. Both the French and Saar are to recognise the other country's system of insurance for fluvial traffic. Chapter VIII establishes a Joint Committee of three French and three Saar members to deal with any difficulties arising. In the event of the Joint Committee failing to reach a decision, the Chairman and Vice-Chairman may request that the matter be referred to the Commission set up under the provisions of Article 5 of the Convention for the implementation of the Franco-Saar Economic Union¹.

5. The Road Transport Convention.

270. The Convention applies chiefly to public transport and road haulage of goods and merchandise. However, it is laid down initially that private travel between the two countries is free, though subject to the relevant French regulations. The same applies to ambulances, taxis, fire-engines and funeral cars. Regular public transport is to be controlled by a Joint Committee consisting of the Technical Committee of the Department of the Moselle and the Saar Transport Co-ordinating Committee, and to be subject to the transport regulations of the country in whose territory it is travelling. These rules also apply to seasonal or occasional public transport (tourism, pilgrimages, etc.).

271. The private transport of goods and merchandise between France and the Saar is declared free, and is regarded as coming from or going to the Department of the Moselle. In the case of public road haulage, there are certain restrictions. For "short distance" transport (*i. e.* in the Department of the Moselle) the French Minister of Transport is to grant a global allocation of licences, expressed in total tonnage to be transported. These are allocated by the Saar Minister of Transport, and the licences thus delivered must be endorsed by the representative of the French Minister of Transport in Saarbrücken. Long-distance road haulage requires a special permit from the French representative. When granted, it confers the right to conduct operations on the whole of French territory, and to re-load with freight locally in France for the return journey, if authorized so to do by the Chief State Civil Engineer of the Department. The same rules for re-charging freight locally for the return journey apply to French lorries. The enforcement of these measures is to depend on the local police and courts of the district where any infringement of the regulations take place. The Saar Government undertakes to bring its own road transport regulations (and provisions for the punishment of any breach of these regulations) into line with the corresponding French regulations. Differences arising from the interpretation and application of the Convention are to be referred to a Joint Committee, consisting of three French and three Saar members, of which the Chairman is to be French and the Vice-Chairman a Saar citizen. If the Joint Committee is unable to reach a decision, the same procedure is to be followed as is laid down in the Convention on Inland Navigation².

6. Convention on Public Assistance Legislation and Supplementary Agreement thereto.

272. This Convention establishes full equality in all social security matters for the nationals of either country living on the territory of the other, in that the treatment received is to be identical to that given to native citizens. The cost

⁽¹⁾ See footnote to para. 263 above.

⁽²⁾ See para. 269 above.

involved shall not be reimbursable by the country of origin. Neither country may repatriate a citizen of the other on the ground that the treatment necessary is likely to prove long or costly. Any difficulties arising are to be settled by the responsible Saar and French authorities. If this proves impossible, the difference is submitted to a Joint Commission consisting of three French and three Saar members, and of which the Presidency alternates between the French and Saar members. The Supplementary Agreement is concerned with administrative arrangements made necessary by the principal agreement: the definition of "nationals" of both countries; the nature of valid residence permits; repatriation allowed if the person concerned has lived for less than five years in the country where he is claiming assistance; and an injunction that recourse may be had to repatriation "only with great moderation and when no humanitarian reasons militate against the adoption of such a course".

7. *The Pharmaceutical Convention.*

273. The first article states that Saar legislation concerning the manufacture and sale of pharmaceutical products is to correspond as closely as possible to similar French legislation¹. French and Saar diplomas entitling a pharmacist to practise are to receive reciprocal recognition. In its relations with the French National Council of Pharmacists the Saar Council of Pharmacists is to be regarded as a regional council, and one representative of the Saar Council of Pharmacists is to sit as a consultative member of the French National Council (with full voting rights in matters concerning the interests of Saar pharmacists).

274. The French Government recognizes Saar legislation which lays down that retail pharmacists may purchase their products only from licensed wholesalers, and forbids French manufacturers to sell goods directly to Saar retail pharmacists. After the signature of the Convention, Saar pharmacists may apply for patent medicine permits to the French Ministry of Health through the intermediary of the Saar authorities; but 323 permits already granted by the Saar authorities before the entry into force of the Convention remain valid, both for sale in the Saar and for export purposes. Of these, 40 specified prescriptions are forthwith to receive a permit allowing their sale in France. The inspection of pharmaceutical products shall be made jointly by the French and Saar inspection services.

8. *Weights and Measures Convention.*

275. Article 1 states "Saar legislation shall make the sole use of a system of weights and measures identical to that of France obligatory". The remaining Articles are concerned with the technical means whereby this principle is to be implemented. The application of the agreement is to be ensured by a Bipartite Committee consisting of two French and two Saar civil servants.

(¹) An interpretative letter sent by the French authorities to the Saar Government after the signature of the Conventions stated that Saar legislation concerning the sale of medicaments by chemists "need not necessarily be identical to the corresponding French legislation. Nevertheless, it appears that a tendency to make the two systems of legislation conform in this respect would be desirable".

(ii) The Conventions signed in the years 1948—1949.

1. *Convention for the protection of Industrial Rights, 15th December, 1948.*

276. This Convention established legislative unity between France and the Saar in patents, registered designs and trade marks. Within this field, French civil and criminal law was to come into force upon the ratification of the Convention and hitherto existing Saar legislation in this sphere was to become void. The Saar was to be considered as being attached to France for the application of all relevant international agreements (e. g. the Convention of 20th March, 1883, the Madrid Agreement of 14th April, 1891, and the Hague Agreement of 6th November, 1925). Rights resulting from patent applications in France were to be considered valid in the Saar, which was to come under the authority of the French Patent Office. Saar citizens who wished to file an application for the registration of a patent were to do so through the Saar Government, which would transmit the application to the appropriate French authorities. Rights resulting from French patents, designs and trade marks were to be "of right extended to the Saar" upon the entry into force of the Convention. Article 13 laid down that, upon the release of Saar assets in France from sequestration "rights resulting from patents granted to Saar citizens on 1st January, 1944, shall be restored"; while under the provisions of Article 18 the Saar Government undertook to introduce legislation in matters of industrial legal protection, and "in particular as regards sequestration", analogous to that existing in France. Disputes arising from the interpretation or implementation of the Conventions were to be referred to the Joint Commission provided for in Article 27 of the Franco-Saar Judicial Convention of 3rd January, 1948¹. Finally, in contradistinction to the Conventions of 1953, which give equal authenticity to both French and German versions², Article 21 stated "The present Convention; has been drawn up in French and German languages; the French text alone shall prevail"³.

2. *The Cultural Convention, 15th December, 1948.*

277. This Convention is a good example of an agreement which has been interpreted in diametrically opposed fashions, on the one hand, as an attempt at a cultural "*Anschluss*" between France and the Saar, and on the other as a laudable step towards the development of European cultural co-operation, which has already been widely extended by the cultural agreements negotiated, on a five-Power basis by the Brussels Treaty Organization, and on a fifteen-Power basis by the Council of Europe itself. Whether either, or both, of these interpretations of the intentions of those who drew up the Conventions was — or remains — accurate may be judged from the text: in all cases the date upon which it was originally negotiated should be borne in mind.

278. In the preamble reference is made to Article 30 of the Saar Constitution⁴:

"The history and political development of the Saar constitute an obligation for all schools to foster the spirit of reconciliation between the peoples. Within the framework of Christian and European civilization Saar schools shall therefore teach a full appreciation of German culture, and, by the teaching of the French language, contribute to the development of cultural relations between France and the Saar."

(¹) This Convention will be replaced by the Judicial Convention of 20th May, 1953, when this latter is ratified.

(²) e.g. Article 18 of the General Convention signed 20th May, 1953.

(³) The same is true of the Cultural Convention (Art. 33) and of the Conventions signed in 1950 (cf. Art. 13 of the General Convention).

(⁴) cf. footnote (1) to paragraph 32 of Part Three of this Report (Conclusions).

279. Chapter I of the Convention deals with a very wide range of co-operation, under the general heading of cultural relations. Both Governments agree to sponsor student-exchange schemes, holiday extension courses, and travelling facilities for students. French and Saar school teachers are to be encouraged to spend periods teaching in each other's schools. Both Governments are to create posts of lecturers in their Universities for each other's nationals, and to make scholarships available. The French Government is to encourage French lecturers in literary, artistic and scientific subjects; the visit of French orchestras and the showing of French documentary and scientific films. Likewise, art and book exhibitions are to be encouraged reciprocally. Translations of the classics are to be encouraged, as is the loan of books and public archives between the libraries of the two countries. Instructions are to be given to the Board of Directors (*Conseil d'Administration*) of Radio Saarbrücken "in order that the programmes may fairly reflect the friendly relations existing between the two countries". Friendly relations are also to be fostered by means of contacts between youth movements, sports federations ("Saar sports organizations may delegate representatives to French sports federations, which in turn will represent the former in those international sports federations which do not permit direct Saar representation"), and hiking clubs.

280. Chapter II makes provision for co-operation in the field of higher education. The French government undertakes to "furnish cultural and financial aid to the Saar Government for the purpose of creating and developing a University of the Saar". The *Conseil d'Administration* of this University is to contain an equal number of French and Saar citizens — with a French or Saar Chairman¹. The Rector and Vice-Rector are to be appointed by the Saar Government. For the first five years the Rector is to be a French national². The curricula of the University are to facilitate a solution of the problem of equivalence of Saar to French diplomas. The French Government undertakes to assign a certain number of French lecturers and professors to the staff of the University of the Saar to teach such subjects as French literature and philology. Furthermore, the two Governments will each contribute 5,000,000 fr. to a guarantee fund. Article 18 explains the present location and buildings of the University "The Saar and French Governments agree to renounce in favour of the University ... the immovable property known as the 'Verdun Barracks' located in the St. Johann quarter of Saarbrücken"³.

281. Elementary and secondary education is considered in Chapter III. Article 20 states "the creation of new schools may take place to the extent that the needs of the French-speaking population render this necessary". Article 21 states "The Saar Government undertakes to assign to the study of the French language, in comparison with that of other living languages, a preponderating position in the curricula for all grades; the study of French shall be compulsory from the second year of elementary schooling". The Director of Cultural Relations of the French High Commission, accompanied by a corresponding Saar official, has the right to visit classes where French is being taught. Facilities for adult education in French are to be provided by the Saar Government, and text books are to reflect the friendly relations existing between France and the Saar. Chapter IV lays down provisions for the equivalence of diplomas and degrees, and the entry of Saarlanders into

(¹) The present Chairman is M. P. Donzelot, Director-General of Higher Education in the French Ministry of Education.

(²) Professor J. F. Angelloz. This distinguished French Germanist was re-elected by the Administrative Council on 2nd July, 1953. The Vice-Rector is a German biologist, Professor G. Koller.

(³) Your Rapporteur would add that these buildings now present a very different picture from the derelict barracks of 1945. There is now a well-housed, flourishing University situated in a pleasant forest background, and some of the theses recently produced by post-graduate students are of first-class quality. Perhaps the most promising aspect is the Institute of European Studies, which is attached to the University, and the spaciouly and modernistically designed new library which is at present being constructed.

French Universities and technical schools. The French Government undertakes to negotiate for Saar nationals the same equivalence of diplomas as is recognized for French citizens abroad. Under the provisions of Article 30, the French Government undertakes to make available a number of scholarships of two to three years' tenure at one of the *Instituts d'Etudes Politiques* or, under conditions to be determined, the *Ecole Nationale d'Administration*, to Saar students between 20 and 35 years of age. Courses at this latter school may include several months' practical work in French administration. The Saar Government also undertakes to reserve a certain number of posts in the Saar civil service for students and officials who pass their examinations successfully at the conclusion of the period they have spent in a French University.

282. Questions arising from the application of the Convention are to be referred to a Permanent Joint Commission of three French and three Saar representatives. The three French representatives shall be appointed respectively by the Minister for Foreign Affairs, the Ministry of Education and by the two Ministries acting together; the Saar representatives, one by the Ministry of Education and two by the Saar Government. This Commission meets alternately in France (where the representative of the French Minister of Education presides) and in the Saar (where the representative of the Saar Ministry of Education presides). The Convention itself is to be of ten-year duration (*i. e.* until December, 1938), and may be renewed by tacit agreement.

3. *The General Convention concerning Social Security, 25th February, 1949*¹

283. This Convention aims at regulating the problems arising for French and Saar wage or salary earners subject to social security legislation, and for French and Saar nationals otherwise entitled to benefits or voluntarily insured, whenever they or their dependents move from one country to the other.

284. In its first section, the Convention enunciates the general principle that, with certain modifications, these categories of persons shall be subject to, and shall enjoy the rights flowing from, the social security legislation of the country in which they work or reside, under the same conditions as the nationals of that country. A general exception is made for French employees of the French High Commission in the Saar and agencies attached thereto.

285. The second section contains specific provisions with regard to health insurance (sick benefit, maternity and funeral allowances), disablement insurance, old age and surviving dependents' pensions, family allowances, accidents and professional diseases. In general, the Convention provides that the period during which a person has paid social insurance contributions in the country of his former place of work or residence shall be fully credited to that person in the other country. Persons entitled to old age or surviving dependents' pension have the option, when their pension becomes payable, between the payment of the whole pension by the country of their residence and separate payment by each country of the part of the

(¹) On the same date as the General Convention, 25th February, 1949, four supplementary agreements were signed, relating to the following subjects:

- social security regulations applicable to employees of the mines;
 - social security regulations applicable to those dwelling in the frontier area;
 - rights of French workers employed in the Saar between 1st July, 1940, and 8th May, 1945;
 - insurance of French public service personnel in the Saar.
- Subsequently, on 27th July, 1950, two administrative agreements were signed, concerning
- the application of the provisions of the General Convention with regard to health insurance (sick benefit, maternity and funeral allowances) and disablement insurance; and
 - the application of the provisions of the second supplementary agreement concerning those dwelling in the frontier area.

pension to which the claimant has acquired a right. The claimants may reverse their decision again if certain circumstances, *e.g.* changes in the national legislation, render the other method more favourable to them.

286. The provisions of the third and last section of the Convention concern mutual assistance between the two countries in the administration of social security legislation, and miscellaneous matters. All difficulties arising in the application of the Convention are normally to be solved by agreement between the French and Saar Ministers responsible for social security questions. Disputes that cannot be settled by direct agreement are to be submitted to a Joint Commission composed of three French and three Saar members (one French and one Saar member appointed by their respective Governments) and presided over alternately by a French and a Saar chairman.

4. *The Convention concerning the operation of Postal, Telegraph and Telephone Services, 5th March, 1949.*

287. With the exception of its purely technical provisions, the Convention rests on two principal ideas, *viz.*

- The Saar possesses its own postal administration ;
- Generally, the Saar is considered part of the French postal area, and the rates and regulations applied in France are extended to the Saar's postal and telecommunication traffic with other parts of the French postal area and other countries.

288. In particular, the Convention confirms the existence of an autonomous Saar postal administration, which issues its own postage stamps (whose value is to be expressed in French francs and which must be used on mails originating in the Saar). The Saar is not a member of the Universal Postal Union, but participates in the Union; in relations with the International Bureau of the Universal Postal Union and the Secretariat-General of the International Telecommunication Union its postal administration is represented by the French postal administration, which also acts on behalf of the Saar in the clearing of payments in international postal and telecommunication traffic. The provisions of the Universal Postal Convention apply to the mails exchanged between the Saar and foreign countries. Subject to certain variations, mails and services (including postal money orders, postal savings accounts, telegraph and telephone) exchanged between the Saar and the French postal area are to be governed by the rates and regulations applicable in France. Likewise, the rates and conditions for mails and services exchanged with other countries are in general to be the same those applying to mails and services between France and foreign countries. Parcel post between the Saar and France and between the Saar and foreign countries is to be governed by a relevant international agreement, modified in the case of parcel post between the Saar and France by the introduction of preferential rates. All parcel post between the Saar and other countries (except Germany and Luxembourg) is to be handled by the French postal administration.

289. All receipts for fees on mails and services exchanged between the Saar and France are to be retained by the administration that has collected them, but the Saar postal administration must refund the French administration for the transport costs of air mails originating in the Saar. The French and Saar postal administrations are to maintain accounts for all financial services exchanged between them (money orders, savings accounts, *etc.*) and will clear the balances reciprocally at stated periods; an annual interest of five percent will be payable if the balance is not paid within 15 days.

III. — *The international personality of the Saar*

1. *Whether the Saar is a State.*¹

290. Whether the reply given to this question be affirmative or negative, it would still refer to what must remain an arrangement contingent upon the peace settlement or treaty in lieu thereof². Notwithstanding, it enters the realm of acute jurisprudential controversy.

291. An element of doubt was clearly present in the minds of those who drafted the Constitution in 1947. Thus Articles 19, 23, 25, 28, 29, 32, 34, 35, 36, 39, 50, 53, 94, 116, 119, 121, 125, 127 and 128³ refer to the Saar as a State (*Staat*; *Etat*), whereas Articles 60, 61, 63, 73 and 107 use the term territory (*Land*; *territoire*, *pays*). The key article is Article 60, which lays down:

“The Saar is a territory endowed with autonomy, democracy and social justice and is economically integrated with France.”

It is likewise worthy of note that in drafting the Constitution changes were made in the working of certain chapter headings. Thus the title “Organisation and functions of the Public Authorities” was substituted for that of “Structure and tasks of the State”⁴. In the same way the first sub-heading of this key chapter was changed from “Bases of the State” to “General Provisions”⁵.

292. Since 1947 the development of thought has been rapid in France and the Saar. The conclusion of the Conventions of 1950, the Saar’s entry into the Council of Europe, her participation in various international agreements, and—not least—the powerful desire on the part of the Saarlanders for a large degree of autonomy, have all contributed to this process. In the Conventions signed on 20th May the concluding article of all the Conventions, except that referring to the Mines, refers without ambiguity to the two States.

293. The viewpoint held in the Saar and France is not, however, decisive. M. Robert Schuman stated in the *Conseil de la République* when the plan that bears his name was being discussed; that a bilateral declaration was insufficient to establish the external sovereignty of a State. Third parties must also recognise the position. None of the signatories of the Treaty had recognised the present status of the Saar, nor had they envisaged the despatch of diplomatic representatives on Saar territory. This position still obtains.

294. It is not profitable to pursue the discussion further, since the idea once mooted of making the Saar a second Luxembourg has now been abandoned by the

(¹) Certain events, which have some psychological relevance, may be recorded:

1. A law concerning Saar nationality was promulgated on 15th July, 1948 (amended 25th June 1949).
2. A Saar flag (white cross on a blue and red field) was adopted on 16th June, 1948 (*cf.* Article 61 of the constitution).
3. Saar postage stamps were introduced on 20th January, 1947.
4. Saar currency (the *Saarmark*) was introduced on 7th June, 1947, prior to the introduction of the French franc, 26th November, 1947. In Article 17 of the new Fiscal and Budgetary Convention provision is made for the issue of Saar currency (of paragraph 249 *asar*).

(²) *cf.* Part Two of this Report, paragraphs 37—38 and also the Resolution adopted in the Bundestag, 2nd July, 1953;

(³) It should be noted that these articles refer to the internal aspects of State sovereignty.

(⁴) *Ordnung und Aufgaben der öffentlichen Gewalt. cf. Aufbau und Aufgaben des Staates.*

(⁵) *Allgemeine Bestimmung* or *Die Grundlagen des Staates.*

Saar leaders themselves¹. For they have seen that the external trappings of sovereignty are far less important than arriving at a settlement upon which France and Germany can agree.

2. *The Saar as a Contracting Party to international agreements.*

295. By the provisions of Article 5 of the new General Convention, France retains the representation of Saar interests abroad in those cases where the Saar is not directly represented. This recalls that, outside the framework of the European institutions, it is unlikely that the Saar would have been called upon to negotiate many international agreements, since her interests have hitherto been the responsibility of France.

296. This has proved the case, in that the chief examples of international agreements to which the Saar is, or may become, a party are the Conventions of the Council of Europe². But in the case of the European Human Rights Convention and the Protocol thereto, the Federal Republic signed the instruments only on the condition that their signature by the Saar should not be interpreted as a recognition of the present Status of the Saar, and in the remaining cases has refused to sign any Conventions also signed by a plenipotentiary of the Saar³. The exception is the Franco-Italian-Saar Social Security Convention of the 22nd November, 1952. Although the plenipotentiary who signed the Convention for the Saar did so on the strength of powers granted by the President of the French Republic, he was in fact a Saarlander, (the Head of the Saar diplomatic mission in Paris); the Saar is expressly recognised as a High Contracting Party (*cf.* Articles 7 and 8), and deposes her own instrument of ratification⁴.

3. *Saar Membership of European Organisations.*

297. In 1950 the Saar was admitted as an Associate Member of the Council of Europe, in accordance with the terms of Article 5 of the Statute of the Council of Europe, by which any European country which does not possess all the qualifications entitling it to the status of a State or all the attributes of sovereignty, may be admitted as an Associate Member⁵.

298. On 3rd November, 1950, the Saar Government officially requested that it be allowed to adhere to the Treaty setting up the European Coal and Steel Community as the seventh Member State, and on 2nd December, 1950, the Saar Landtag voted unanimously for this proposal⁶. On 7th March, 1952, however,

(¹) *cf.* the statement made by M. Bidault at the signature of the Franco-Saar Conventions on 2nd May, 1953:

"It is clear that our final aim has not been the creation of a new national entity in accordance with the traditional formulae, but an attempt to find the conditions which would favour the solution of a problem born of conflicting national interests."

(²) European Convention for the Protection of Human Rights and Fundamental Freedoms and the Protocol thereto.

Draft Agreement on Social Security (I) and Protocol relating to Refugees.
 Draft Agreement on Social Security (II) and Protocol relating to Refugees.
 Draft Convention on Social and Medical Assistance.
 Draft Agreement on the Equivalence of Diplomas.
 Draft Convention relating to the Formalities required for Patent Applications.

(³) See Doc. 10, 1952, para. 19.

(⁴) This Convention has not as yet been ratified by any of the signatories.

(⁵) Representatives of the Saar have attended the meetings of the Consultative Assembly since the first part of the Second Ordinary Session in August, 1950, and they have been present at the meetings of the Committee of Ministers, in a consultative capacity, since the Seventh Session of that body, held in Rome in November, 1950.

(⁶) See also Section C, footnote to paragraph 496 below.

M. Hoffmann stated that the system whereby France was responsible for the external relations of the Saar would apply also to the European Coal and Steel Community, but that ratification of the Treaty would depend upon the approval of the Landtag¹. In consequence, Article 79 of the Treaty was re-worded to be "applicable to those European territories whose foreign relations are assumed by a Member State", while Article 21 lays down that the "representatives of the population of the Saar are included in the number of delegates attributed to France". In an exchange of letters at the time of the signature of the Treaty, 18th April, 1951, the French Government accepted the German position that the latter country's signature of the Treaty (which France had signed on behalf of the Saar) did not constitute a recognition by the Federal Republic of the status of the Saar².

299. It followed from the fact that the Saar did not become a signatory to the Treaty setting up the E.C.S.C., that there is no Saar representative as such in the Council of Ministers of the E. C. S. C. or in the Common Assembly. The same was true of the Ad Hoc Assembly, as a *de facto* emanation of the Common Assembly. In all these cases, the representatives of the Saar are included in the French delegation.

300. This position has caused considerable dissatisfaction in the Saar. This feeling has some justification with regard to the question of parliamentary or ministerial representation; but it is not warranted in respect of the High Authority of the E. C. S. C., where there is no representation of national interests as such³.

301. The position of the Saar in the I. L. O. is also worthy of note. On 22nd June, 1950, at its 112th Session, the Governing Body of the Organization adopted the following resolution moved by the representative of the French Government:

"The Governing Body instructs the Director-General, in consultation with the Officers of the Governing Body, to take all appropriate steps, consistent with the Constitution and practice of the I. L. O., to associate representatives from the Saar, including representatives of employers and workers, with those meetings and activities of the Organisation in 1950—1951 which are of interest and concern to the Saar."

302. The Director-General accordingly invited a tripartite delegation of observers from the Saar to attend the 34th Session of the International Labour Conference (June, 1951) as well as the fourth Session of the Coal Mines Committee (May, 1951). As the decision of the Governing Body was for one year only, the French Government representative addressed a letter to the Director-General on

⁽¹⁾ It was adopted on 6th March, 1952, by 38 votes to 3, with 1 abstention.

⁽²⁾ The text of M. Schuman's letter to Dr. Adenauer was as follows:

"In reply to your letter of April 18th, 1951, the French Government takes note of the fact that the Federal Government, in signing the Treaty instituting the European Coal and Steel Community, does not recognise the present status of the Saar.

The French Government declares, in conformity with its own point of view, that it acts in the name of the Saar by virtue of the present status of that territory, but that it does not consider the signature of the Treaty by the Federal Government as a recognition by the Federal Government of the present status of the Saar. It has not considered that the Treaty constituting the European Coal and Steel Community prejudiced the definitive status of the Saar, which is to be decided by the Treaty of Peace or by a treaty taking its place."

⁽³⁾ Some criticism has been made in the Saar of the investment plans envisaged by the High Authority, on the ground that Saar interests were insufficiently supported by the French members of the High Authority.

29th May, 1952, requesting him to repeat in 1952 the arrangement made for 1951. This request was approved by the Governing Body of the I. L. O. at its 119th Session (May, 1952), and the necessary action was taken by the Director-General to invite a tripartite delegation of observers from the Saar to attend the 35th Session of the International Labour Conference. On 26th November, 1952, the representative of the French Government on the Governing Body addressed another letter, similar to this previous one, to the Director-General, requesting a further renewal in 1953 of the system established since June, 1950. This request was approved by the Governing Body at its 120th Session in November, 1952.

C

**ECONOMIC ASPECT
OF THE SAAR PROBLEM**

I. MAIN PERIODS IN THE ECONOMIC HISTORY OF THE SAAR DURING THE LAST HUNDRED YEARS ¹

303. *1831 - 1871.* What is now referred to as the Saar formed part of one of the Members of the German Zollverein from its creation in 1831. Four years later the States of Southern Germany also adhered to the Zollverein.

304. *1871 - 1918.* As a result of the treaty of Frankfurt, from 1871 onwards Alsace and the larger part of Lorraine were attached to the Zollverein, which also included Luxembourg. Thus, during the era which saw the beginning of mass production the Saar industries were part of an economic unit considerably larger in extent than that formed by Germany after 1919. Within this area — and to some extent also across its frontiers — there were ample opportunities for both horizontal and vertical integration of industry.

305. *1920 - 1925.* In 1920 the Saar became subject to the French customs regime, but in principle retained its free trade facilities with both Germany and France. Apart from this, the main characteristics of the period were that of French economic predominance, resulting from ownership of the coal mines; the acceptance of the French franc as sole legal tender within the Saar Basin in 1923; the large-scale entry of French capital into the steel industry of the Saar; and an increase in trade between the Saar and France.

306. *1925 - 1935.* In 1925 the Saar was for the first time definitely incorporated within the French customs area, which from 1919 onwards had included Alsace and Lorraine. In consequence France became the principal trading partner of the Saar, although special arrangements continued for trade with Germany during part of this period. In anticipation of the results of the referendum French capital began to be withdrawn.

307. *1935 - 1939.* The Saar economy was re-attached to that of Germany, and for the first time since 1871 Alsace-Lorraine and the Saar were on different sides of the customs frontier, a position which continued until 1940. The reintegration was facilitated, on the one hand, by the rearmament boom and, on the other, hampered by the rapid increase of political tension.

308. *1945 - 1952.* After initially being part of the French occupation zone in Germany the Saar was "attached" economically to France by means of a series of measures taken in 1947 and 1948. This relationship developed into an economic union as a result of the Franco-Saar Conventions signed on 3rd March, 1950. The bases of this economic union were subsequently modified in a series of new Conventions signed on 20th May, 1953. ² The Saar forms part of the European Coal and Steel Community, although not as an individual country nor as party to the Franco-Saar Economic Union.

(¹) For practical reasons the terminology "The Saar" is used throughout this part of the Report, irrespective of the period dealt with. This is obviously a simplification; as has been shown in Section A of the Report, the Saar did not exist as a territory before 1919. The Versailles Treaty refers to it as the (territory of) the Saar Basin.

(²) See above, Section B of the Report paras. 213-260.

II. GENERAL SURVEY

A. — *The Territory and the People*

309. The Saar lies where the low hills of the Rhineland merge into the plateau of Lorraine. Lying between the Ardennes and the Vosges the Saar has always been a natural highway between the Rhine and Western Europe. The boundaries of the territory as laid down by the Versailles Treaty, and increased through annexations in the years 1946, 1947 and 1949, include, in addition to the coal basin itself, some more agricultural districts which are situated to the south and the north of the mining district proper.

310. The outward appearance is not so much that of a coal-mining or industrial area. One-third of the country is still densely covered with forests. In the wide Saar valley, as well as in the Sulzbach and Fischbach valleys between Saarbrücken and Neunkirchen, an uninterrupted succession of settlements and villages is to be found everywhere, stretching for many kilometers on either side of the highways. The miners usually live in such villages, where they have houses of their own. Many of them possess a strip of land and perhaps some cattle, and are farmers in their leisure hours. On the edge of the towns there are many kitchen-gardens cultivated by the wives and children of the miners, and by factory workers. In this way 90 per cent of the soil is cultivated by the owners. The smallholding system has not contributed to rapid progress in agriculture, but it has certain social advantages. As frequently occurs in mining industries, a highly developed system of social security has existed for some time. The miners, together with their families, constitute nearly one-third of the total Saar population. Incidentally, insofar as social security expenses per capita of the adult population are concerned, the Saar ranks third among the Member States of the Council of Europe.¹

311. Not all the miners can have their houses near the pit-head. The need for the easy transport of a great number of miners and factory workers has led to the construction of a vast network of tramways radiating from Saarbrücken, Saarlouis and Neunkirchen, with some running to the Palatinate and to the Warndt in Lorraine.²

Population figures.

312. At the end of 1951 the Saar population amounted to nearly 960,000. The growth of the population since 1816 is shown by the following table :

THE POPULATION OF THE SAAR
1816—1951
(number of inhabitants)

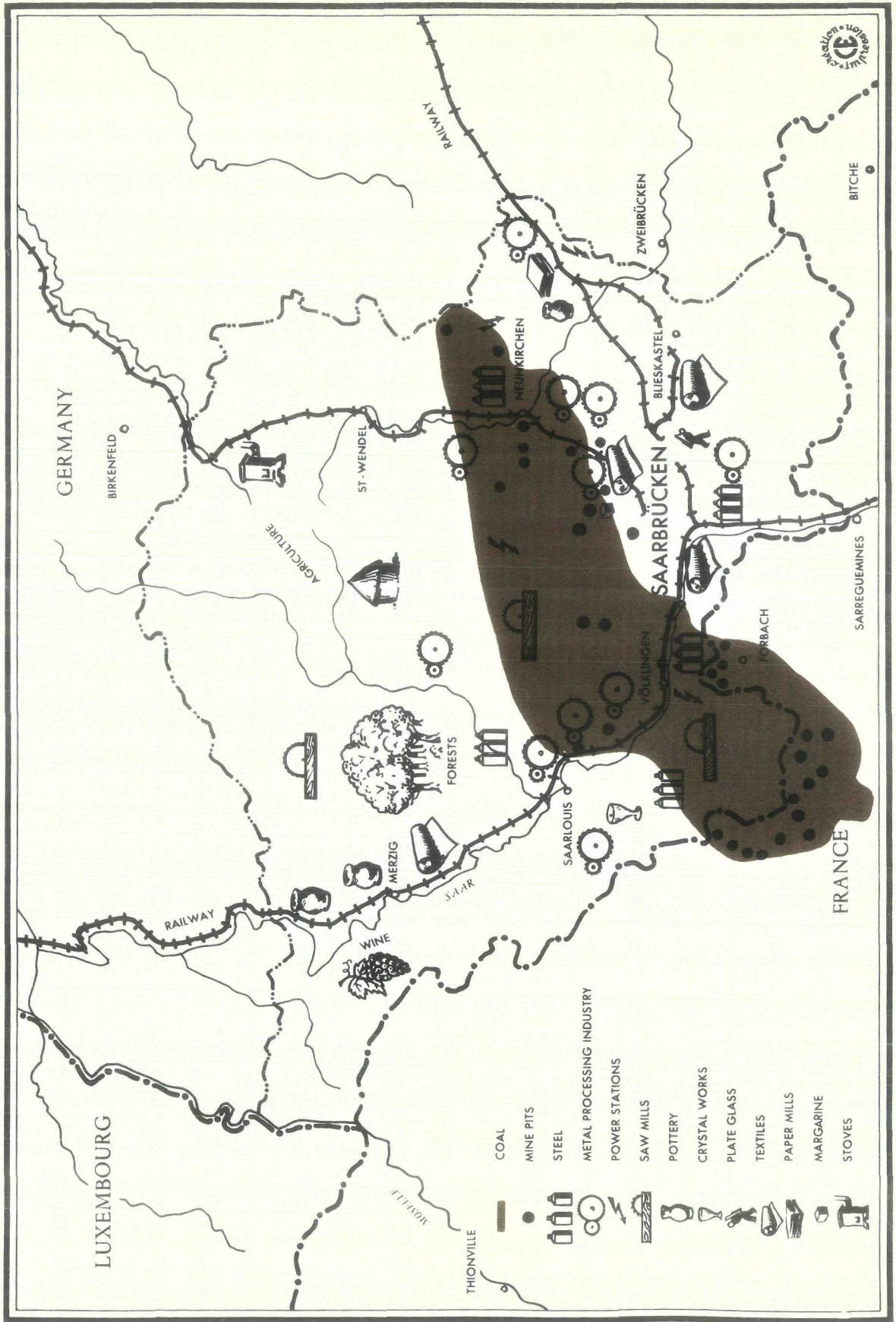
Year	Total population	Year	Total population
1816 ⁽¹⁾	159,000	1939 ⁽²⁾	890,000 ⁽²⁾
1852 ⁽¹⁾	244,000	1946 ⁽²⁾	853,000
1900 ⁽¹⁾	512,000	1951 ⁽²⁾	960,000
1922 ⁽¹⁾	713,000	1952 ⁽²⁾	968,000
1939 ⁽¹⁾	824,000 ⁽¹⁾		

⁽¹⁾ Frontiers of 1939 ⁽²⁾ Frontiers of 1949
(Source: Saar, *Statistisches Handbuch*)

⁽¹⁾ International Labour Conference, 1952.

⁽²⁾ On the problem of frontiers, and of the "Saargänger" and "Grenzgänger" generally cf. paras 346 and 456-458 below.

THE SAAR ECONOMY



313. While the population in Europe as a whole has increased by some 40 per cent during each of the three last half-centuries, the increase in the Saar amounted to 57 per cent, 110 per cent and 84 per cent respectively. Similar large increases in population were experienced in most of the other areas of Europe now dominated by heavy industry, and in mining districts, in particular. During the first half of the 19th century only Belgium was more densely populated than the Saar: since then, the Saar has been more densely populated than any European country, with a population amounting in December, 1951 to 374 inhabitants per square kilometer.

314. The increase of population during the last century was partly caused by large-scale immigration, both from the adjacent German provinces and from Bohemia and Prussia, particularly between 1853 and 1880. The total figure during the period 1815—1880 has been put by a French author at 200,000¹. There was little immigration after 1880. "A survey conducted by the French military authorities in 1946 revealed that over 83 per cent of the inhabitants were born in the Saar and that, of the 83 per cent, over 50 per cent were descendants of grand-parents who had themselves been native Saarlanders. Of the 16 per cent of the population not born in the Saar a large majority were concentrated in commerce and in the professions in the cities, only a very small number having entered the mines"². Between 1948 and 1951 some 28,000 people moved into the Saar from Germany.

B. — Economic Structure

315. In 1950 40.6 per cent of the Saar population was gainfully employed, which is somewhat less than the European average of 46.8 per cent. Both France with 52 per cent and Germany with 47.6 per cent were above the average. The figure is explained in the case of the Saar by the relatively low percentage of women employed, namely 20 per cent of the total working population and 15 per cent of the total female population, whereas in France 38 per cent of the female population is employed. This in its turn is a reflection of the strong emphasis on heavy industry in the Saar economy.

316. In December, 1951 the number of employed in the Saar was nearly 300,000, distributed as set out in column 1 of the table on page 103. This was an increase of 30 per cent as compared with 1938. It was mainly due to the increase of population, but also in part to the expansion of administration. Since October, 1952 the number of employed has been over 300,000.

317. Out of the total number employed 57,147, or nearly 20 per cent, were women. Half of these were employed in local industries, trade and transport.

318. Compared with previous years employment has been on the increase in the export industries, in trade and in transport, while it has decreased continuously in agriculture. During the years 1948-1951 the unemployment in the Saar amounted to 2.5 per cent, 2.2 per cent, 2.2 per cent and 1.5 per cent respectively.³

319. Most important, however, is the fact that of every four employed persons one works in the mines and another in the steel or steel-manufacturing industries. Moreover, within the steel and steel processing industries the emphasis used to be, and still is strongly, on steel production itself. In this respect the Saar differs, markedly from other areas of heavy industry in Central Europe. Thus, for every 100 workers in the iron and steel industries before the war, there were 170 workers in manufacturing industries in Westphalia, 156 in the Rhineland, 140 in Upper Silesia, but only 44 in the Saar.⁴

⁽¹⁾ R. Capot-Rey. *La région industrielle sarroise*, p. 471, Nancy, 1928.

⁽²⁾ G. Cowan, *France and the Saar 1680—1948*, Columbia University Press, New York, 1950, p. 16.

⁽³⁾ U. N. Monthly Statistical Bulletin. I. L. O. International Trade Review.

⁽⁴⁾ *Saarprobleme in Dokumenten*, Saarbrücken, 1951.

320. The metal manufacturing industry of the Saar is, however, expanding in a remarkable way, and in 1951 it employed 71 workers for every 100 workers in the iron and steel industries¹. Now some 200 enterprises produce not only equipment for the mines and steelworks, as formerly, but have branched out into all types of metal manufacture. This change of structure is most welcome, particularly from the point of view of employment, as opportunities are given for work to those who are physically unfit for work in the mines or steelworks. So far however, the manufacturing industries have been hampered by a shortage of skilled labour. On the other hand, as the metal manufacturing industries produce mainly for export, their development has perhaps not made the Saar economy as insensitive to changes in the state of international markets as is sometimes suggested.

321. The structure of the Saar economy is further illustrated by column 2 of the table on page 103, which shows that coal represents nearly one-fourth, and iron and steel more than one-third of industrial turnover in the Saar. Coal and steel represent together 59 per cent of the total Saar industrial production. The corresponding figures for the other member countries in the E. C. S. C. are approximately²: Netherlands 8 per cent, France 15 per cent, Italy 16 per cent, Germany 27 per cent, Belgium 35 per cent and Luxembourg 80 per cent (steel industry).

322. It is of interest to note that the economy of Luxembourg, with which that of the Saar can be the most closely compared, is much more dependent on steel than is the Saar economy on coal and steel combined.

323. The ceramics and glass industries have been for centuries of great importance in the Saar economy; in fact, at one time they ranked first. More than 65 per cent of the production of ceramics, glass and chemicals was exported in 1951 (see column 3b of table). Power production, both as far as gas and electricity are concerned, is increasing.

324. Although this study, like most others, concentrates, particularly, on the problems of Saar heavy industry, *it should be strongly emphasised that more than one-third of the total industrial and handicraft production in the Saar comes from industries other than coal and steel (including steel by-products).*

C. — Present Trade Position

325. Given the existing economic structure, it is obvious that trade is of vital importance for the Saar people.

326. A rough picture of the relative dependence of the Saar industry (in 1951) on home as compared with foreign demand, is given in column 3b in the table on page 103, where it appears that more than 50 per cent of the total production is *exported*.³ The coal-mining industry marketed 70 per cent of its production outside the Saar, the iron and steel industries 73 per cent, and the metal processing industry 66 per cent. Coal and steel were together responsible for 65 per cent, and including steel by-products for 89 per cent, of total Saar exports.

327. It appears further that four-fifths of Saar exports went to France (*i. e.* the French Union) and Germany together. This proportion has remained about the

⁽¹⁾ *Saarländische Bevölkerungs- und Wirtschaftszahlen, 3. Jahrgang, 1951, Heft 4.*

⁽²⁾ M. Bech in the Luxembourg Parliament. Quoted in *Société Belge d'Etudes et d'Expansion*, October, 1952.

⁽³⁾ Estimates vary. The Saar Statistical Office points out that the figures given in the table concern the gross production and estimates that about two-thirds of the total net production of the Saar was exported in 1951.

Saarländische Bevölkerungs- und Wirtschaftszahlen, op. cit., p. 219.

THE ECONOMY OF THE SAAR

1951

(Figures of man-power, sums in milliards of francs)

	Working population (end 1951)		Turnover ⁽¹⁾			Exports			Distribution of exports		
	Number	%	Sum	%	% of industrial turnover	Sum	%	% of turnover in that industry	%		
									French Union	Germany	Other countries
1	1a	2	2a	2b	3	3a	3b	4	4a	4b	
Mines	67,615	22.9	62.4	11.6	23.2	39.2	28.0	70.1	52.9	35.5	11.6
Iron and Steel	39,618	13.4	96.2	17.8	35.8	51.4	36.7	73.0	62.7	6.6	30.7
Metal processing											
Total	28,490	9.6	42.0	7.8	15.6	33.6	24.0	65.5	70.7	3.9	25.4
Primary	11,528	3.9	11.0	2.0	4.1	14.9	10.6	73.0	53.9	2.9	43.2
Secondary	16,962	5.7	31.0	5.7	11.5	18.7	13.4	60.5	84.1	4.4	11.5
Gas and electric power	3,891	1.3	9.9	1.8	3.7	1.9	1.4	19.6	32.5	67.5	—
Other industries, Total	84,586	24.9	58.2	10.8	21.7	13.9	9.9	24.5	84.3	4.8	10.9
Ceramics, chemicals, glass	7,444	2.5	14.5	2.7	5.4	9.3	6.6	66.7	84.6	3.1	12.3
Building	31,177	10.6	12.5	2.3	4.6	0.9	0.6	7.3	96.4	1.1	2.5
Sawmills and wood	9,355	3.2	7.2	1.3	2.7	1.5	1.1	20.9	81.5	5.4	13.1
Textiles, clothing, leather	9,504	3.2	6.3	1.2	2.3	1.2	0.9	22.9	74.8	23.9	1.3
Paper and printing	2,593	0.9	3.4	0.6	1.3	0.4	0.3	14.6	98.8	0.9	0.3
Food, drink and tobacco	8,054	2.7	14.7	2.7	5.4	0.6	0.4	4.0	76.7	0.1	23.2
Handicraft	⁽²⁾	⁽²⁾	38.5	7.1	—	—	—	—	—	—	—
Agriculture and forestry	4,098	1.4	0.9	0.2	—	—	—	—	—	—	—
Transports	15,843	5.3	14.6	2.7	—	—	—	—	—	—	—
Wholesale trade	—	—	109.2	20.2	—	—	—	—	—	—	—
Retail Trade	27,752	9.4	86.5	16.0	—	—	—	—	—	—	—
Other services	34,667	11.8	21.1	3.9	—	—	—	—	—	—	—
TOTAL	295,560	100.0	540	100.0	—	140.0	100.0	56.7	63.6	14.7	21.7
Industries only	213,200	72.1	269	49.9	100.0	140.0	100.0	56.7	63.6	14.7	21.7

⁽¹⁾ Referred to as "Umsatz" in the Saar statistics and obtained on the basis of fiscal declarations.

⁽²⁾ Already included under the various industries.

(Source : Saar, *Stat. Handbuch.*)

same for decades. The shares taken as between France and Germany, on the other hand, have varied according to the situation of the customs frontier. In this chapter only the present situation will be considered.¹ In 1951 the French Union took 64 per cent and Western Germany some 15 per cent of the Saar exports.

328. The only branch where exports to Germany exceeded those to France was that of gas and electric power combined. This is explained by the fact that gas deliveries to the Palatinate industries were more than five times as large as those to France (between 1946 and 1949 all gas produced had been exported to the Palatinate).

329. Exports to other countries amounted to about one-third of the exports to the French Union and to one and a half times those going to Germany. Nearly half of these exports went to European countries, and a little more than half to non-European countries. The seventeen main importers of Saar products in 1951 were :

SAAR EXPORTS
1951
(Millions of francs)

Destination	Total value	Destination	Total value
French Union	90,946	Israel	897
Germany	20,601	Finland	865
U. S. A. ⁽¹⁾	4,549	Denmark	844
Switzerland	3,879	Austria	831
Italy	2,651	South Africa	789
Argentina	2,221	Australia	734
Sweden	1,274	Belgium	652
Norway	1,083	Luxembourg	596
Netherlands	992		
Total of all countries other than the French Union and Germany			30,136

(¹) Mainly steel deliveries under the abnormal conditions following the war in Korea. The corresponding figure in 1950 was about 1,000 million francs.

(Source : *Saarländische Bevölkerungs- und Wirtschaftszahlen*)

330. It is a striking fact that, except for important non-European nations, both the group of countries to the south-east (Switzerland, Italy and Austria) and all Scandinavian countries are larger importers of Saar goods than the adjacent competitive economies of Luxembourg and Belgium; while the Netherlands ranks as only the ninth largest importer of Saar goods.

331. The *import* figures available are less exact. Out of two-thirds of the total imports in 1951, however, more than 80 per cent came from the French Union and 15 per cent from W. Germany, while less than 3 per cent was taken from other countries.

332. It appears from the table on the next page that the Saar showed a *balanced trade* in 1951. Thus an import surplus in relation to the French Union of 27 milliard francs was outweighed by an export surplus to other countries of about

(¹) As regards Saar trade with France and Germany, see also chapters III, IV and VII—X below.

the same size ; yet trade with Western Germany was balanced. From the currency point of view, however, the exchange of goods within the Franco-Saar Economic Union should not be regarded as foreign trade. Thus, the contribution of the Saar to the French trade balance amounted in 1951 to 28 milliard francs.

SAAR BALANCE OF TRADE

1951

(milliards of francs)

	Total	French Union	Western Germany	Other Countries
<i>EXPORTS</i>				
Coal and coke	44.7	25.3	15.0	4.5
Industry	97.1	65.6	5.7	25.8
Wholesale trade	8.1	6.5	0.4	1.2
	149.9	97.4	21.1	31.4
<i>IMPORTS</i>				
Coke and Coal	5.6	0.9	4.7	—
Imports by Saar mines				
Current production	52.5	47.3	4.7	0.5
Investment goods	9.5	5.0	3.7	0.8
Handicraft	1.5	1.4	0.1	0.0
Wholesale trade	54.8	48.5	4.7	1.6
Retail trade	23.8	20.5	3.0	0.3
Public constructions	1.1	1.0	0.1	0.0
Total	148.8	124.6	21.0	3.2

(Source : Saar, *Statistisches Handbuch.*)

III. COAL MINING

A. — *The Coal Basin*

333. The coal basin of the Saar forms a triangle with its apex at Neunkirchen not far from Homburg, and the basin, some 20 kms. long, resting on the valley of the Saar river between Saarlouis and Saarbrücken, and thereafter extending across the valley into the Warndt area and Lorraine¹. The chief deposits which it is practicable to exploit lie along the river valley at a moderate depth of 300 to 600 metres. At the meeting of the Geological Congress in Toronto in 1913 the total resources of Saar coal were estimated at over 30,000 million tons, and those above a depth of 1,000 metres at 5,500 million tons. Instead of the latter figure the Prussian Geological Institute arrived at 3,200 million tons. Even on the latter estimation and present production figures one may conclude that supplies are assured for two centuries to come. For purposes of comparison it may be mentioned that the High Authority of the European Coal and Steel Community estimates total reserves of France (to a depth of 2,000 metres) at 10,000 million tons those of the Saar at 9,000 million tons and those of the Ruhr alone at 214,000 million tons².

B. — *The quality of the Saar coal*

334. The Saar coal, though excellent for factories and for all domestic purposes, has two weak points, which stand out, if a comparison is made with the coal produced in the Ruhr-Westphalian region. It is more expensive to mine, since the seams are broken and are nowhere very thick, so that a relatively large amount of labour is required for extraction. Secondly, it is of an inferior grade and less suitable for coking purposes. Thus two-thirds of the coal produced is fat coal, which yields a very friable or crumbly coke. When coke is made from Saar coal a certain proportion of Westphalian coal has usually to be mixed with it, which explains why a coal-producing country like the Saar also imports considerable amounts of Westphalian (and some French) coal; together, nearly half a million tons in 1938 and a little more than one million tons in 1951.

C. — *Ownership*

335. It is sometimes mentioned as a third disadvantage of the Saar mines that they have always been State-owned, whether by the Counts of Nassau-Saarbrücken, by Prussia, or by France. It has been urged against the State mines of Prussia and Bavaria, for example, that "as State monopolies, they kept the price of coal unduly high and so hindered the competitive powers of other Saar industries"³. Even more frequent has been the complaint against the States concerned for administering the mines in the light of political rather

(¹) See map on p. 99.

(²) *L'Economie de la Sarre*, p. 35, Ministère de l'Economie Nationale, Etudes et Documents, Presses Universitaires de France, 1947. F. Hermann, *Les richesses minérales du Monde*, pp. 30—38, Paris, 1950. Recueil Statistique de la Communauté Européenne du Charbon et de l'Acier, p. 46, Luxembourg, June, 1953.

(³) Margaret Lambert, *The Saar*, p. 136, London, 1934, cf. F. Hellwig, *Die Saarwirtschaft und ihre Organisation*, Saarbrücken, 1939.

than economic considerations. Suffice it to mention the accusations levelled at the French Administration that they used a technique of "*Raubbau*"¹ in the years of 1920-1935, in the belief that the mines would in any case return to Germany after the plebiscite, and, similarly, against the Germans during the war years².

D. — The Warndt Coalfield

336. Perhaps "the most valuable deposits"³ in the Saar are situated in the wooded area known as Warndt, just on the Lorraine boundary. The Prussian mines administration had left this area untouched as a sort of reserve. But from 1923 onwards two French companies holding mining concessions on the French side had tunnelled under the border into the Warndt. The Germans complained that this policy was "breaking off bits of the Saar territory" but the French replied "that the tunnelling process was only natural since the firms concerned did not want to run the risk of losing any investment in surface equipment, should the Warndt return to Germany"⁴. Around 1930 the annual production of the Warndt was between 2 and 3 million tons, or more than a fifth of the production in the Saar itself. An agreement with the German State allowed the two French concessionaires to exploit 11 million tons during a period of five years, *i.e.* 2,2 million tons annually⁵. The situation has remained the same after the second world war. A lease from 1924 was renewed in 1949 and signed by Houillères de Lorraine and Régie des Mines de la Sarre. The Saar Government was not satisfied and for some time negotiations have been going on between the French and Saar Governments concerning the Warndt. By the terms of the Appendix to the Mines Convention signed on 20th May, 1953, an Arbitration Commission of five members, under a neutral Chairman, is to fix the limits of the mining area to be exploited by the "Houillères du Bassin de Lorraine", and rent is to be paid for this lease (Article 3). It should be noted that a considerable number of Saar miners living on the Saar side of the frontier used to be and still are employed in these mines. In 1951 the number of these "*Grenzgänger*" working in the mines was 3,550 as against 2,476 "*Saargänger*" living outside the Saar⁶ working.

337. The substance of the problem, as seen from the Saar, appears in the following enumeration of the basic demands of the Saar Government for the settlement of the Warndt question.⁷

1. The guarantee of employment for Saar mineworkers in the Warndt coalfield in the event of unemployment due to the closing down of other Saar mines.
2. Determination of the boundaries of the Lorraine minefields according to economic considerations and strictly on the basis of existing installations.
3. Should the exploitation of the Warndt coalfields require the erection of new plant, this should be situated in Saar territory and regarded as Saar property.

(¹) An untranslatable German word; "robber-exploitation" would perhaps be the nearest English translation according to Cowan (*op. cit.*), who comments: "The so-called *Raubbau* technique, that of exploiting only the thickest veins and by-passing those which would require more labour to extract the coal, means that large amounts were left untouched which, because of further underground development, could not be regained" (p. 146).

(²) There exist a few private mines in the Saar. Their production is not large, but they are of a certain importance because they exploit marginal seams and employ pensioned miners.

(³) L. G. Cowan, *op. cit.*, p. 147.

(⁴) L. G. Cowan, *op. cit.* pp. 147-8.

(⁵) See also paras. 442 and 450.

(⁶) *Statistisches Handbuch für das Saarland* 1950, p. 64. See also paras. 346 and 456—458.

(⁷) Declaration by Johannes Hoffmann, Prime Minister of the Saar Government (*Saarbrücker Zeitung*, 23rd March, 1953).

4. Equal social security benefits for Saar mineworkers employed in the Lorraine coalfields, by payment of a compensatory sum to the Saar Mineworkers Union.
5. Financial and fiscal settlement *vis-à-vis* the Saar State and Warndt local government authorities in respect of loss of profits and taxation revenue.
6. Guarantees against unequal coal production contrary to the interests of the Saar.

While not disputing a number of these points the French emphasise, on the other hand, the fact that Houillères de Lorraine always mined the Warndt coalfield, whose production amounts to 28 % of the total coal production in Lorraine and 6 % of that of France. As much as 60 % of the fat coals of Lorraine used for coking coal comes from Warndt. The Charbonnages de France has estimated that a loss of the Warndt would imply a rise in price of Lorraine coal of 500 frs per ton. During the Paris negotiations it proved impossible to reach full agreement on the substance of these differences, but agreement was reached to set up an Arbitration Commission on the lines indicated above.

E. — Development of Production

338. The production of coal and coke in the Saar appears in the following table :

COAL & COKE PRODUCTION
1855—1952
(millions of tons)

	Coal	Coke		Coal	Coke
1855	1.5	—	1946	7.9	0.9
1890	9.3	—	1947	10.5	1.9
1913	13.2	1.6	1948	12.6	2.8
1923	9.1	—	1949	14.3	3.4
1929	13.6	2.4	1950	15.1	3.3
1932	10.4	1.7	1951	16.3	3.9
1938	14.4	3.1	1952	16.2	..
1943	16.2	3.5			

(Source : Saar, *Stat. Handbuch.*)

339. Since 1946 production has increased every year except in 1952. The peacetime record of 1924 was already surpassed by 1949, and that of 1943 was more than equalled in 1951. Between 1938 and 1951 the coal production of the Saar increased by about 15 per cent; that of France by 14 per cent; that of the United Kingdom fell by 2 per cent and of Western Germany by 13 per cent; while the total production of all member countries of the O. E. E. C. decreased by 3 per cent.

340. According to the plan for increased European production recently drawn up by the O. E. E. C., Saar coal production is expected to increase to 17 million tons in 1952, to 17.5 million tons in 1953 and to 19 millions in 1956. The year 1952, however, showed a slight reduction (from 16.3 to 16.2 million tons).

F. — Production within the framework of E. C. S. C.

341. The relative importance of Saar coal in the E. C. S. C. appears from the following production figures for the year 1952 :

COAL PRODUCTION
1952
(millions of tons)

Country	Quantity	Country	Quantity	Country	Quantity
Belgium	30	Luxembourg	—	W. Germany	122
France	55	Netherlands	13	Total E. C. S. C.	237
Italy	1	Saar	16	(U. K.)	228

(Source : O. E. E. C.)

342. The Saar thus represents 7 per cent of the total production of the E. C. S. C. countries, 22.5 per cent of that of the Franco-Saar Economic union and 11.6 per cent of that of the joint German-Saar production. Before the war the latter figure used to fluctuate between 8 per cent and 9 per cent ; in this connection it should be noted that the yearly production of the pre-war German territories at present outside the Federal Republic amounted in 1938 to 33 million tons, or twice the amount of the present production of the Saar. In 1951 the E. C. S. C. as a whole provided 15 per cent of total world production of coal, as against 20 per cent before the war.

G. — Output per manshift (underground)

343. As the manpower employed underground decreased between 1949 and 1952 by 1,400 (from 39,700 to 38,300, as compared with 32,800 in 1938), the progress achieved since 1949 has been due mainly to an increased output per manshift. Within the E. C. S. C. the output per manshift underground in the Saar now ranks first (before even the United Kingdom), and shows by far the greatest increase when compared with the pre-war level.

OUTPUT PER MANSHIFT (underground)
1937. 1951-52
(kilograms)

Country	1937	1951	1952	Country	1937	1951	1952
Saar	1,436	1,617	1,623	France	1,233	1,298	1,353
Netherlands	2,550	1,729	1,609	Belgium	1,139	1,059	1,047
W. Germany	1,992	1,457	1,475	(U. K.)	1,534	1,632	1,607

(Source : E. C. E.)

344. Technically, however, it would be more correct to compare the Saar coalfields with individual coalfields in the different countries. It then appears, for example, that Saar output per manshift is higher than that of eight French coalfields, but is considerably lower than the output per manshift in the ninth, the Lorraine fields, which in 1952 reached the highest figure in Europe (2,018 kgs).

345. In the Saar mines, as in the Belgian, French and German mines, there is a 48-hour working week, and Saturday is treated as a normal working day. In the Dutch mines only is the Saturday shift shorter — 6 hours as against 8 hours during the other weekdays.

H. — Manpower

346. Of the factors affecting the output per manshift, manpower should be mentioned first. In 1952 more than 40 per cent of the miners in Belgium, and nearly 20 per cent of those in France, were foreign-born, while the corresponding figures for W. Germany and the Saar were 0.8 and 0.2 per cent respectively¹. The German coalfield, however, employed numerous refugees and other labour without previous mining experience. By contrast the Saar miners are largely indigenous, and represent an exceedingly compact and settled social group. Moreover, although so-called “*Saargänger*” were employed in the Saar mines, in 1951 they numbered 2,480, *i.e.* only 4.3 per cent of the payroll, and even these came from immediately adjacent areas².

347. The explanation is that “the position of the miner is a highly honoured one in the Saar ... The mining tradition is passed on from father to son ... a high percentage of men who have never known any other trade”³. In 1913 nearly 40 per cent of the miners lived in a house of their own⁴, and since 1945 the Mines Administration has encouraged the miner to become house-owner by granting him long-term loans from a fund to which both the workmen themselves and the Mines Administration contribute. Thus, as distinguished from most other coal-mining areas in Western Europe, housing presents no acute problem in the Saar, and “social conditions among miners have reached a very high standard”. Absenteeism has always been very low in the Saar mines⁵.

I. — Investments

348. The second factor of importance for the output per manshift is that of the technical conditions of production. The following are the investment figures for recent years :

INVESTMENTS IN THE COAL INDUSTRY 1945—1951 (milliard francs)

	Saar	France
Major new installations	7.0	83.4
Medium-term renovation	6.1	63.6
Power stations and coking plant	6.6	91.4
House building	1.4	36.7
Total	21.1	275.1

(Source : *Saarländische Bevölkerungs- und Wirtschaftszahlen.*)

(¹) *Recueil Statistique de la C. E. C. A., op. cit.* p. 54.

(²) It is only fair to add, however, that this figure would be somewhat larger, had the considerable belt of adjacent territory not been incorporated in the Saar since 1945. See map on p. 47 and paras. 456—458.

(³) L. G. Cowan, *op. cit.*, p. 144.

(⁴) Vidal de la Blache et Gallois, *Le Bassin de la Sarre.*

(⁵) Coal production, short-term programmes of Western Europe, O. E. E. C.

349. These figures show the very considerable investment which has been made in the Saar coalmines. The results of this investment are already visible in increased production. The O. E. E. C. reports: "A heavy programme of mechanisation in the Saar mines over the last 5 years is just now coming to fruition. 80 per cent of the coal-faces are mechanised, which is almost the maximum technically possible. The results have not yet been all that might have been desired, owing to shortage of fully trained operators"¹.

350. Nevertheless, investments in the Saar mines compare badly with those made in the French mines. "During the post-war years the Charbonnages de France, while producing only three times as much as the Saar, has invested more than twelve times as much capital as the Saar Mines Administration... For the Lorraine coal basin, the production of which is about two-thirds of that of the Saar, the amount of capital invested in the two years 1949 and 1950 was twice as large as that invested in the Saar mines during the four years from 1949 to 1952"². The investments in the French mines should be seen in the light of the fact that the French need for large quantities of imported coal — in spite of the increased deliveries from the Saar paid for in French francs — is a major cause of that country's serious balance of payments difficulties. Recent technical advances have also made it likely that this capital investment will produce a high rate of return³.

J. — Markets

351. During the last few years about half the Saar coal production has been consumed in the Saar itself (75 per cent by coke ovens and 15 per cent by the mines and miners themselves). Owing to the boom in iron and steel, during 1951 coke consumption in the Saar increased by over 40 per cent to more than two-thirds of the production.

352. In spite of the considerable consumption within the Saar the problem of markets is obviously all-important for the Saar coal industry and indirectly for the whole Saar economy. The distribution of coal exports has been as follows:

COAL EXPORTS OF THE SAAR 1913—1952 (million tons)

Year	Total	Percentage to :		Year	Total	Percentage to :	
		Germany	France			Germany	France
1913	8.5	55	31	1947	5.1	80	14
1929	7.3	16	68	1948	6.1	68	24
1934	6.2	17	70	1949	7.0	51	38
1935	5.2	39	44	1950	8.2	36	45
1937	6.7	42	33	1951	8.4	37	50
1943	8.5	47	16	1952	8.8	38	52

(Source : Saar, *Stat. Handbuch.*)

⁽¹⁾ *Coal production, short-term programmes of Western Europe*, O. E. E. C., 1952.

⁽²⁾ *Saarländische Bevölkerungs- und Wirtschaftszahlen*, *op. cit.*, p. 243. Such a comparison as is made here is perhaps not altogether correct, as has been pointed out in *Note documentaire des Charbonnages de France*, 28 June, 1949. (See Müller, *Rattachement économique de la Sarre à la France*, Paris, 1950, pp. 281—285.) It has not, however, prevented the Saar miners from complaining that an unfair proportion of Marshall Aid funds were allocated to French miners, as compared with those allocated to the Saar (see below paras 480—484).

⁽³⁾ See below "The problem of coking coal", paras 356—359.

353. Thus 80 to 90 per cent of the coal exported from the Saar normally goes to France and Germany together in proportions which have varied according to the political status and the situation of the customs frontiers of the Saar. The figures for coke confirm the general tendency, although during the post-war period the part going to France was as high as 50 per cent in 1947, and has since then increased steadily to 86 per cent in 1951.

Switch Operations

354. Of greatest interest in connection with the exports to France and Germany is the fact, revealed in the table, that no less than 15 per cent of the coal exported has always found its way to the "other side of the customs frontier", and sometimes the figure has reached 37 per cent, which was the amount exported to Western Germany in 1951. This last figure needs, however, some qualification. During the recent years the absolute amount of coal exports to Germany have remained steady at a little over 3 million tons, which is explained by agreements existing between France and Germany for co-called "switch operations". This means that, in return for the Saar coal exports to Germany, France receives the equivalent amount in coal and coke (usually 50 per cent of each) from Germany. In a way all the present Saar coal deliveries to Germany can therefore be regarded as indirect exports to France: France does not need to spend foreign currencies on the corresponding German coal and coke. What matters from the Saar's point of view, however, is that Saar non-coking coal which is not taken by France finds a market in Southern Germany¹. On the other hand, entry into this market is artificially fostered. Given the cheaper prices of German coal consumed in Germany itself, the Saar could sell its coal to Germany only at a loss. This loss is estimated to have amounted to 4.8 milliard francs between 1st April 1949 and 1st April, 1951. Since then the French Government has been covering three-fourths of the loss incurred by the Saar mines by these "switch operations".

355. The importance of Saar coal in the European market is further illustrated by figures which indicate that during the year 1952 more than one-third of all French coal imports (3.8 out of 13 million tons), and nearly one-sixth of all coke imports (0.8 out of 5.1 million tons), came from the Saar.

K. — Technical development — the problem of coking coal

356. The unsuitability of Saar coal for coking purposes was mentioned at the beginning of this section. However, the progress achieved since 1920, when the Saar was separated from the Ruhr, and particularly during the last few years, in the coking of Saar (and Lorraine) coal is of the utmost importance for the future development in the Saar coal industry. In the Saar "the experts have managed to produce from Saar coal a coke which is as good as the Ruhr coke, if 8 per cent of Ruhr coal is added to it"²). On the basis of the experience gained in the Saar much attention has been devoted since 1947 to the problem of Lorraine, where there is a coalfield which is very rich in long-flame coals. The situation is, however, somewhat different in the two areas, as appears in the following figures of daily production :

(¹) cf. *Denkschrift der Bundesregierung zur Saarfrage*, p. 7, Bonn, 1950, where it is said that in the long run Saar coal is dependent on the German market "as she is fully competitive there (owing to freight advantages and the consumers' technical installations)".

(²) *Saarländische Bevölkerungs- und Wirtschaftszahlen*, op. cit., p. 240.

DAILY PRODUCTION
(Forecasts for 1952)
(tons)

	Fat A	Fat B	Flaming Coal	Dry Flaming Coal	Total
Sarre	33,000	9,500	10,500	4,000	57,000
Lorraine	1,000	8,300	21,700	12,000	43,000

(Source: R. Muller, *Rattachement Economique de la Sarre à la France*, Paris, 1950.)

357. The progress achieved in coking in the Saar mainly concerns "Fat A", which Lorraine hardly possesses. Obviously the Saar will, however, profit from any results arrived at in Lorraine for the other types of coal which hitherto have been considered even less suitable for coking. Three processes of coking have been used, the Carling process, the Sovaco method, and the Marienau process, and the first two have already been perfected on an industrial scale. "They make it possible to produce, from a charge containing at least 60 per cent Saar-Lorraine coals, including a high proportion of high volatile medium-coking coals, a coke with the crushing strength demanded by the operational conditions obtaining in French blast furnaces. It has been found possible in some of the tests to increase the proportion of Saar-Lorraine coals to 100 per cent, or alternatively to use an appreciable proportion of high volatile non-coking coals"¹.

358. In the case of Lorraine it has been estimated that within a few years' time the area will be able itself to provide 70 per cent of its full capacity of coke consumption of 10 million tons, whereas in 1938 it could provide only 30 per cent.

359. For the Saar the following long-term consequences appear likely:

- (i) less dependence on Ruhr coal for coking purposes, if the new technology is fully applied within the Saar;
- (ii) Less pronounced French dependence on Saar coal.
- (iii) Increase of by-products from the coking processes, which would continue the present trend and contribute to making Saar mining (based as it is on inferior coal) less vulnerable in times of economic regression. One may recall in this connection that the prosperity of the Ruhr formerly also depended in a large measure on such by-products.
- (iv) Competition from Lorraine on the South-German market in case of decreased demand. This will be the more felt as the output per man-shift in Lorraine is high, production costs are low and the new coking processes have already led to the production of low-priced gas and other useful by-products.
- (v) Increased steel production and intensified competition in the French and German steel markets; for coke at the moment is something of a bottleneck in European steel production. The Lorraine steel industry will benefit especially from lower raw material costs.

This whole problem, however, must be seen in the context of the common market set up by the European Coal and Steel Community, which is briefly discussed below².

⁽¹⁾ *Recent Developments and Trends in Iron and Steel Technology*, p. 23, United Nations, Geneva, July, 1952.

⁽²⁾ See paras. 496—517 below.

IV. IRON AND STEEL

A. — *Raw materials basis*

360. The Saar steel industry was not originally based on coal, but rather on iron ore, which was exploited as early as two thousand years ago. The contrast with the situation that obtains today is complete, in that the fuel used was not coal but wood, of which the thick forests of the Saar provided an abundant supply. During the rule of the enterprising William Henry II¹, in the middle of the 18th century, conditions of production were extremely favourable both for raw materials and for markets. William Henry, nevertheless, encouraged the use of coal and even encouraged experiments in producing coke. These latter were not, however, very successful.

361. The small iron deposits were soon exhausted, and modern Saar industry grew up in complete dependence on ores from outside the territory. Lorraine soon became the predominant source. As early as 1851 Neunkirchen, one of the five principal steelworks of the Saar, started using Lorraine ore. Fifteen years later transport facilities were improved by the Coal Canal which linked the Saar with the Marne-Rhine Canal². The acquisition of the Lorraine iron fields by Germany in 1871 was of decisive importance for future development, "although, through the faulty knowledge of Bismarck's geologists, an important part of this field round the Briey basin was left out"³. The Saar has since remained on the same side of the customs frontier as Lorraine, with the exception of the years 1935—1940⁴.

362. The Saar normally imports between 90 and 100 % of its iron ore from Lorraine. It should be noted, however, that in 1871 the Lorraine ore, known as "minette" ore, could not be used for iron and steel production because of its high phosphoric content. Only in 1878 did the Englishman Sydney Thomas succeed in adapting the Bessemer method which had been generally used for the preceding 20 years for smelting phosphorous ore. "The Lorraine ores suddenly became valuable and on the twin pillars of "Thomas" pig iron and "Thomas" steel the Saar metallurgical industry rose to international importance"⁵. By 1902 south-west German heavy industry, to which that of the Saar belonged, produced more pig iron than even the Ruhr-Westphalian area (39.72 % against 38.69 % of total German production).

Comparison with the Ruhr.

363. This was, however, an exceptional state of affairs. In the competition with the Ruhr which went on throughout the decades around the turn of the century, the Saar lagged behind. It is true that the raw material basis of the two regions was the same in that they both lacked ore of their own. But the Ruhr had certain advantages :

⁽¹⁾ *cf.* Section A para. 37.

⁽²⁾ See Chapter V, paras. 377—389.

⁽³⁾ M. Lambert, *op. cit.*, pp. 136—137.

⁽⁴⁾ For the difficulties created by the separation of the Saar from Lorraine between 1935 and 1940, see Chapter VIII, paras 415—428.

⁽⁵⁾ M. Lambert, *op. cit.*, p. 137.

- (i) As far as the second raw material needed by the steel industry is concerned, it has been mentioned above that Saar coal is inferior to that of the Ruhr for coking purposes¹. The Saar is dependent on the Ruhr for about 20 % of its coking coal².
- (ii) When the Siemens-Martin process was discovered the Ruhr as a highly industrialised region profited from large supplies of scrap iron.
- (iii) An essential advantage of the Ruhr was the fact of the excellent waterway transport facilities presented by the Rhine, whereas the Saar's position in this respect was extremely unfavourable³. Apart from contributing in general to the development of the Ruhr, this situation made it possible for the Ruhr to import rich Swedish ores and adapt its equipment progressively to their use.
- (iv) The large amount of coking in the Ruhr led to the development of outstandingly important by-product industries which proved more profitable than the basic industries.
- (v) A further economic financial and organisational advantage of the Ruhr was provided by the possibilities of vertical integration within the whole field of coal and steel. This was not feasible within the Saar, where coal mines but not the steelworks were State-owned.

364. The greater economic power of the Ruhr which resulted led to a subordination of the interests of the Saar to those of the Ruhr. This does not seem to be disputed by German historians, and it has been a major argument used in presenting the French case to the population of the Saar. It should be noted in this connection that the same argument is now used by the other side, suggesting that preferential treatment has deliberately been given to the Lorraine coal and steel industry in comparison with that given to the Saar within the Franco-Saar Economic Union⁴. Once more, as was the case with the Ruhr, the Lorraine industry already has the benefit of natural advantages, in that it is situated in the iron ore field itself. This position of the Saar heavy industry as a competitor of the big regional groups that exist within each of the customs areas to which it has in turn belonged has been a leading feature of its development.

B. — Interlocking relations between the industrial regions

365. As against this competition between the various industrial regions in Western Europe should be put their interlocking relations. During the period up to the first world war these were actually as close as to give the impression of one economic coal and steel unit. The two steelworks of Neunkirchen and Dillingen⁵ were taken over in the beginning of the 19th century by the brothers Stumm, who came from the German province of Hunsrück. In the 1850's Belgian and Luxem-

(¹) See para. 334 above.

(²) For developments in the coking of Saar coals, see paras. 356—359.

(³) See also below Chapter V, paras. 415—428 below.

(⁴) See paras. 348—350 and below paras. 373 and 480—484.

(⁵) These works had been founded by the Marquis of Léoncourt in 1685 and were bought by the brothers Gouvy in 1765 (*cf.* Section A, para. 39 above). Even after the works came under the brothers Stumm, however, French shareholders maintained their position. When confidential security matters relating to German arms production were discussed, they merely retired to an adjoining room of the Châteaueau where the meetings were held. *cf. Ce qu'il faut savoir de la Sarre*, Jean de Pange, Paris, 1933.

bourg industrialists founded the furnace of Burbach which later came under A. R. B. E. D., the big Luxembourg combine. After 1871 there were still French interests in the region of Metz and Thionville, and German and Saar concessions in Briey and Longwy on the French side of the new frontier. With the acquisition of iron-ore fields in Lorraine the Saar metallurgical works began to erect blast furnaces on the ore fields, "thus transporting only 1.2 tons of coke instead of 3 tons of ore"¹. Because of the State monopoly in the Saar they also acquired shares in coal-mines outside the Saar, *e.g.* in the Ruhr. In this way there existed close connections between Saar steelworks, Lorraine iron mines and blast furnaces, Belgian and Luxembourg heavy industry and Ruhr-Westphalian coal-mines².

C. — Ownership

366. Many of these relations were broken up as a result of the war, although other forms of contact were established in the 20's and 30's by means of cartels. In the Saar the main interest attached to the question of ownership of the steelworks, which is the key position in the Saar economy. After 1919 German property in Lorraine was sequestered, and no exception was made for Saar property. "In disposing of the sequestered Saar property (in Lorraine) it is generally assumed that the French Government insisted that the French purchasers should also acquire from the former owners a majority of the capital of the Saar firms so as to control it as well. Whether there was such a condition or not, that is what usually happened"³. By about 1925 French interests had purchased controlling interests in three of the five largest steel plants (Dillingen 100 %, Neunkirchen and Burbach 60 %). The Burbach works were still controlled by Arbed. The only large steel concern in the Saar which remained completely German was the Röchling works at Völklingen. After the Franco-German customs negotiations of 1926—1928 had given the Saar a place on the German market, there was a considerable withdrawal of French capital from Saar industries, (*e.g.* before 1935 the French share of the Dillingen stock had already been reduced to 60 % and of the Neunkirchen stock to only 15 %).

367. After the second world war the steel works were again sequestered by the French authorities. The Burbach was soon restored to Arbed. The sequestration administration of the Dillingen and Halberg foundries was abolished as from 31st December, 1951. As before the war, both foundries are still French-owned to the extent of approximately 60 %. The Dillingen Foundry is financially linked with the "Forges et Chantiers de Homécourt" and the Halberg Foundry with the "Société des Hauts Fourneaux de Pont-à-Mousson". The remaining shares are in German hands. Völklingen and Neunkirchen have remained sequestered, being temporarily leased and run by combined German and French capital.

D. — Development of production

368. Production figures for a number of years since 1913 are given in the following table in millions of tons :

(¹) M. Lambert, *op. cit.*, p. 139.

(²) *cf.* G. Schneider, *Die Wahrheit über die Saarfrage*, Cologne, 1951, pp. 37—38, and R. Herly, *Les conditions de production de la métallurgie sarroise depuis 1815*, Nancy, 1926.

(³) M. Lambert, *op. cit.*, pp. 148—149.

STEEL PRODUCTION
1913—1952
(millions of tons)

	Pig iron	Crude steel ¹⁾	Rolled metal
1913	1.4	2.1	1.7
1922	2.1	2.2	1.8
1933	1.6	1.7	1.1
1936	2.2	2.3	1.6
1938	2.4	2.6	1.9
1943	2.3	2.4	1.6
1946	0.2	0.3	0.2
1947	0.7	0.7	0.5
1948	1.1	1.2	0.8
1949	1.6	1.7	1.2
1950	1.7	1.9	1.3
1951	2.4	2.6	1.8
1952	2.6	2.8	1.9

¹⁾ 80 % Thomas steel.

(Source : Saar, *Stat. Handbuch.*)

369. It appears that not until 1951 was the 1913 level of production reached again as far as crude steel and rolled metal are concerned. The position of pig iron is different, as in 1922 production had already increased 50 % above that of 1913. This is explained by the loss of subsidiary blast furnaces in Lorraine after 1920, which encouraged the Saar metallurgical factories in a policy of carrying out all the processes as one continuous operation. This in turn meant an economy in the use of heat and resulted in an increase of pig iron production.

370. In 1945 the steel works were almost at a standstill. Since then the production of pig iron, crude steel and rolled metal has been steadily increasing every year. The boom since the second half of 1950 was the result of an increase of 40 % for all three groups and it made the 1951 figures equal to those of the previous record year 1938 (except in the case of rolled metal products—owing to damage caused to plant by Allied bombing).

E. Production within the E.C.S.C.

371. Pre-war and present production figures of crude steel in the countries participating in the E. C. S. C. as well as in other steel producing countries in Western Europe are as follows :

CRUDE STEEL PRODUCTION
1938—1952
(millions of tons)

Countries	1938	1951	1952	1952 in % of 1938
W. Germany	17.9	13.5	15.8	88
Saar	2.6	2.6	2.8	108
France	6.2	9.8	10.9	176
Belgium	2.3	5.0	5.1	222
Luxembourg	1.4	3.1	3.0	214
Netherlands	0.0	0.6	0.7	1,223
Italy	2.3	3.1	3.5	152
Total E. C. S. C.	32.8	37.7	41.8	127
United Kingdom	10.6	15.9	16.3	154
Sweden	1.0	1.5	1.7	170

(Source : *Ch. Synd. de la Sidérurgie française.*)

372. Except Germany all the countries enumerated increased their pre-war production at least by 50 %, while the Saar just reached its pre-war level, thus falling below the E. C. S. C. average of a 27 % increase. This is explained by the comparatively slow recovery of the immediate post-war years, when the Saar steel works suffered badly from shortage of coke. Between 1950 and 1952, however, production increased more in the Saar than in any other Western European country — by 49,6 %, compared with an average of 32 % within the E. C. S. C. In 1952 the Saar steel production amounted to 6,8 % of the E. C. S. C. total, 20,6 % of that of the Franco-Saar Economic Union and 15,2 % of the joint German-Saar production.

F. — Investments

373. Most of the investments made during the post-war period in the Saar steel industry have been self-financed. This is encouraged by current price regulations for French and Saar steelworks to the effect that so-called “sums set aside to cover depreciation of plant” may be included in the price. In 1951 these ranged up to 1,300 frs. per ton. Out of Marshall credits Neunkirchen has received 539 and Dillingen, 1,400 million frs., the latter for financing a modern rolling mill designed for heavy plate, in which fully automatic handling will enable productivity to be tripled and output capacity doubled. As a result of this installation the capacity of the plant should provide 35 % of the production of heavy plate in France and the Saar put together. This re-orientation of the Dillingen production from the production of thin sheet iron and thin plate to that of heavy plate has been judged necessary in view of the recent construction of the two continuous French rolling mills at Usinor and Sollac, the joint capacity of which equals the previous total Franco-Saar production. Their construction was made possible thanks to Marshall credits; up to the year 1951 40,000.000.000 frs. of Marshall credits were invested in the French steel industry.

G. — Markets

374. No exact figures are available to illustrate the distribution of Saar steel production as between the Saar, French, German and other markets before the second world war. The figures in the following table relating to this period have been collated from various private and official sources and do not indicate more than the general tendency.

SALES OF SAAR STEEL

1913—1952

(% of total value marketed in)

	Saar	Germany	French Union	Other countries
1913	5	77 ¹⁾	(2)	18 ²⁾
1925—31	..	40—60	..	..
1930—33	10	35	35	20
1938 ³⁾	23	68	(2)	9 ²⁾
1947	37	29	34	0
1948	36	22	40	2
1949	38	5	48	9
1950	37	12	32	19
1951	31	4	41	24
1952	30	9	49	12

¹⁾ 4 % Alsace-Lorraine.

²⁾ France under “Other countries”.

³⁾ Rolled Metal.

(Source : Post-war figures : Saar, *Stat. Office.*)

375. The conclusions to be drawn are :

— that since 1945 the Saar home market, which was very small before the first world war, but which grew during the period between the wars, has absorbed about one-third of the total Saar production ;

— that the German market remained at least as important as the French during the inter-war period but that now it is comparatively unimportant, although again increasing towards the end of 1952¹ ; the low exports to Germany now are mainly explained through price differences, which in 1951 were as follows for Thomas steel :

PRICES OF THOMAS STEEL

4th quarter of 1951

(francs per ton, ex-works)

Product	Germany	France
Bar-iron	27,999	30,070
Rolled wire	28,424	30,550
Heavy plate	29,049	35,860
Thin plate	35,524	42,750

(Source : Usine Nouvelle).

— that the French market at present takes between one third and one half of the total Saar steel production ;

— that the share of other countries is steadily increasing, with abnormal peaks in 1950 and 1951 (in 1951 the United States imported more Saar steel than Germany, during the first nine months of 1952 only one-third).

⁽¹⁾ "Saar steel experts say that in normal times the Saar could expect to sell about 10 % of its output to W. Germany"; *New York Herald Tribune*, Special Supplement on the Saar, 20th September, 1952.

V. TRANSPORT PROBLEMS

376. The Saar's central geographical position in Europe has made it a centre of communications since Roman times. To-day it is an area of intense transit traffic, even though the main European railway lines pass to the north or south of the territory. The railway network is one of the densest in Europe (482.5 km. per sq.km. in 1939, as compared with an average of 128 in Germany). Main lines connect the Saar direct with Metz, Strasbourg, and Thionville in France and with Frankfurt, Trier, Stuttgart and Ludwigshafen in Germany. The railways transported 20 million tons of goods in the crisis year of 1931 and double that amount in 1938.¹

377. Water transport, on the other hand, has always been a major problem of the Saar economy, and the history of this problem represents in microcosm the whole economic history of the Saar. For, in addition to the inferior quality of Saar coal and the lack of iron ore resources within the Saar, the absence of cheap water transport for coal and steel has always tended to weaken considerably the competitive position of the Saar economy. This stands out if a comparison is made with the other big industrial areas of the world and particularly with the competing Ruhr-Westphalian region, which also lacks iron ore, but which has easy access to the Rhine, and thus in turn both to the sea and to the most developed canal system in Europe.

378. There has, of course, been no shortage of plans for canals to serve the Saar, and, indeed, this question has acutely interested Saar industrial circles for more than a century. Two groups of projects for connecting the Saar directly with the Rhine have been discussed. One aims at providing a link through a canalisation of the existing rivers Saar and Moselle to Coblenz, that is to say first in a north-westerly direction, and then north-east. The other project envisages building a canal through the Palatinate, leading directly to the Rhine from Saarbrücken (*i.e.* more or less directly east-or north-eastwards)².

379. Initially, the Saar was to be given a waterway in "the other direction", but also linking up with the Rhine. Work had already been begun during the First Empire on the project of a canal to permit the cheap transport of Saar coal to Lorraine, but this was interrupted after 1815. After lengthy negotiations a convention was signed between France and Prussia in 1861, and five years later the upper reaches of the river Saar were canalized and linked to a newly-built "Coal Canal", which runs southwards into the Marne-Rhine canal. This canal runs from west to east some forty miles south of the Saar industrial region, and enters the Rhine at Strasbourg. The Saar profited from the re-opening of Lorraine markets, and Lorraine benefited from the reduced cost of coal transport, although some disagreement arose about the new price to be charged to Lorraine consumers, and about who had gained most from the operation.³

380. The next step to improve the unfavourable transport situation of the Saar, "tucked away in the south-east corner of the German State", would, obviously, have been to make the lower reaches of the Saar navigable up to the point where it joins the Moselle, south of Trier. The Moselle is itself navigable from this juncture to the Rhine for ships of up to 450 tons. Saar industrialists

(1) *L'économie de la Sarre*, *op. cit.*, pp. 102—103.

(2) The three routes projected appear on the map, p. 123.

(3) See L. G. Cowan, *op. cit.*, pp. 67—68, and F. Hellwig, *op. cit.*, pp. 25—26.

and the Saar Chamber of Commerce were in favour of such a project in order to facilitate transport to and from the Ruhr¹. But the Prussian State Mines opposed it "lest cheaply transported Ruhr coal should compete against Saar coal in their own district"².

381. Seen in the larger context the question of canalising the lower Saar river was only part of the bigger problem of linking the Ruhr with the Lorraine-Saar area through a canalisation of the whole Moselle. For the Saar it was even a necessary part, as the main interest both of Lorraine and of the Ruhr was to buy or sell as much ore and coal as possible from each other. As among the three areas the Saar, if it was not an outsider, yet represented only secondary interests. Lorraine, however, was herself not in a very strong position in the 60's and 70's. It was only during the last 20 years of the century that Lorraine ores gained their importance, thanks to the discovery of the Thomas process for smelting phosphorous ores in 1878.

382. In 1883, the canalisation of the Moselle, which had been first suggested more than 100 years earlier, was taken up by the Coblenz Chamber of Commerce. It was immediately supported by influential Ruhr-Westphalian industrialists. At this time the Saar industrialists, on the other hand, were against it — for reasons indicated above, and requested the inclusion of the Saar canalisation in the project as a condition for their support of it. Later on they went even further, under the lead of the powerful Stumm family, and asked for a direct Saar-Rhine canal through the Palatinate as the only means "of compensating the Saar area for the disadvantages arising from a canalisation of the Moselle"³.

383. While a project for the canalisation of the Moselle was being elaborated the situation underwent a complete change. The Ruhr profited from the newly discovered Siemens-Martin process, for which its rich resources of scrap iron made it particularly suitable, whereas the situation of the Saar in this respect was less favourable. At the same time rich Swedish iron ores were beginning to be used by the Ruhr steel industry. To the extent that Lorraine minette ore was still used, the Ruhr managed to get it transported more cheaply from 1903 onwards after a reduced railway tariff had been introduced. All this made the Ruhr more interested in other canalisation projects than in that of the Moselle. Whatever the economic effect was for the Saar of shelving all the canal projects discussed, its political implications should not be underestimated. "The German pre-war transport policy did not acknowledge the importance of a waterway in frontier territories. It was subordinated to the purely economically founded claims of the Rhine-Westphalian industrial area. Neglect of the frontier demarcation of Alsace-Lorraine and the Saar by the German Government soon brought its own retribution, since it provided France with the most valuable arguments for its political claims"⁴.

384. The situation was to be repeated in the late thirties. The only change that had occurred was that the Moselle had been canalised from Metz to Thionville between 1927 and 1932, and had thereby been made navigable for ships of up to 300 tons. But this — the so-called "*Klein-kanalisierung*" — was a purely internal Lorraine undertaking and did not affect the relative position of Lorraine, the Saar and the Ruhr directly. After the return of the Saar to Germany in 1935 the main problem of economic re-integration remained the improvement of the Saar's unfavourable transport position within Germany. "The foreign trade position of the Saar in relation to German political economy will in future depend upon whether that country succeeds in overcoming its remoteness from German markets. Reunion

(¹) F. Hellwig, *op. cit.*, p. 70.

(²) M. Lambert, *op. cit.*, p. 138.

(³) Resolution of the Saar Chamber of Commerce — December-January, 1887-1888, quoted in F. Hellwig, *op. cit.*, p. 72.

(⁴) F. Hellwig, *op. cit.*, p. 97.

will not be successfully achieved until heavy industry in the Saar is closely linked with what will in future be the most important means of transport communication for German heavy industry, namely, the German waterways system. The political and economic administration of the Saar and the Saar Palatinate will as hitherto be dependent upon the Saar Palatinate-Rhine canal as a vitally important factor in the efforts of that administration to sustain the economic life of this frontier district"¹.

Another German source, to which some weight can be attached², describes the position of the Saar within Germany as follows:

„The Saar is more remote from the great German centres of consumption than the other German industrial areas, in particular Rhineland-Westphalia. To reach the nearest consumer and link up with long distance lines of communication, a broad belt of open country must be crossed, comprising the Palatinate, the Hunsrück and the Eifel. Thanks to the Rhine, Ludwigshafen-Mannheim, the nearest large industrial town, is more easily approached from the Ruhr than from the Saar, for the latter possesses no direct canal to link it with the German inland waterway system. Though the Saar is the third most important coal basin and the second most important steel producer in Germany, it has no network of communications with the Rhine — the main arterial trade route of the German economy. It is true that the canal problem already existed before the war, but it has never been so acute as since the 'Return', for the dependence of the Territory on a semi-circular front facing north-east became complete when it was separated from the hinterland of Lorraine and Luxembourg. As we have already seen, only a little over half of the coal output of the Saar is absorbed by the Saar itself and by France. The remainder must be disposed of in Germany and other foreign markets. The waterways are clearly insufficient for this purpose, for in 1936 44.6 % of the coal output of the Ruhr was transported by waterways as against 3 % of the Saar coal. The foundries also have an interest in delivering their goods by waterways, but not to the same extent as the coal mines. There is an incentive for them to sell their products to more distant markets, for the iron foundries have not become the centre of a processing industry ready to absorb most of their output, as have their counterparts in Rhineland-Westphalia. This natural development has been hampered by political and military difficulties arising from the proximity of the frontier. The construction of a canal system might be more important to the foundries in the future if the South Baden dogger ores were to be transported on a large scale for treatment in the Saar"³.

Owing to the lack of direct canal links with the Rhine, the Saar is almost completely dependent on the more costly railway system. The consequent disadvantages to the Saar can be measured by the fact that even a technically obsolete canal like the Saar Coal Canal is cheaper than the railways, and the cost of transporting freight from Saarbrücken to Mannheim is comparable with the total cost of sea transport from Newcastle-on-Tyne to Rotterdam and river transport from there to Mannheim. Moreover, since many important consumers have installed machinery adapted to water transport, they will not be prepared to accept Saar coal until an efficient waterway has been constructed linking the Saar with the Rhine"⁴.

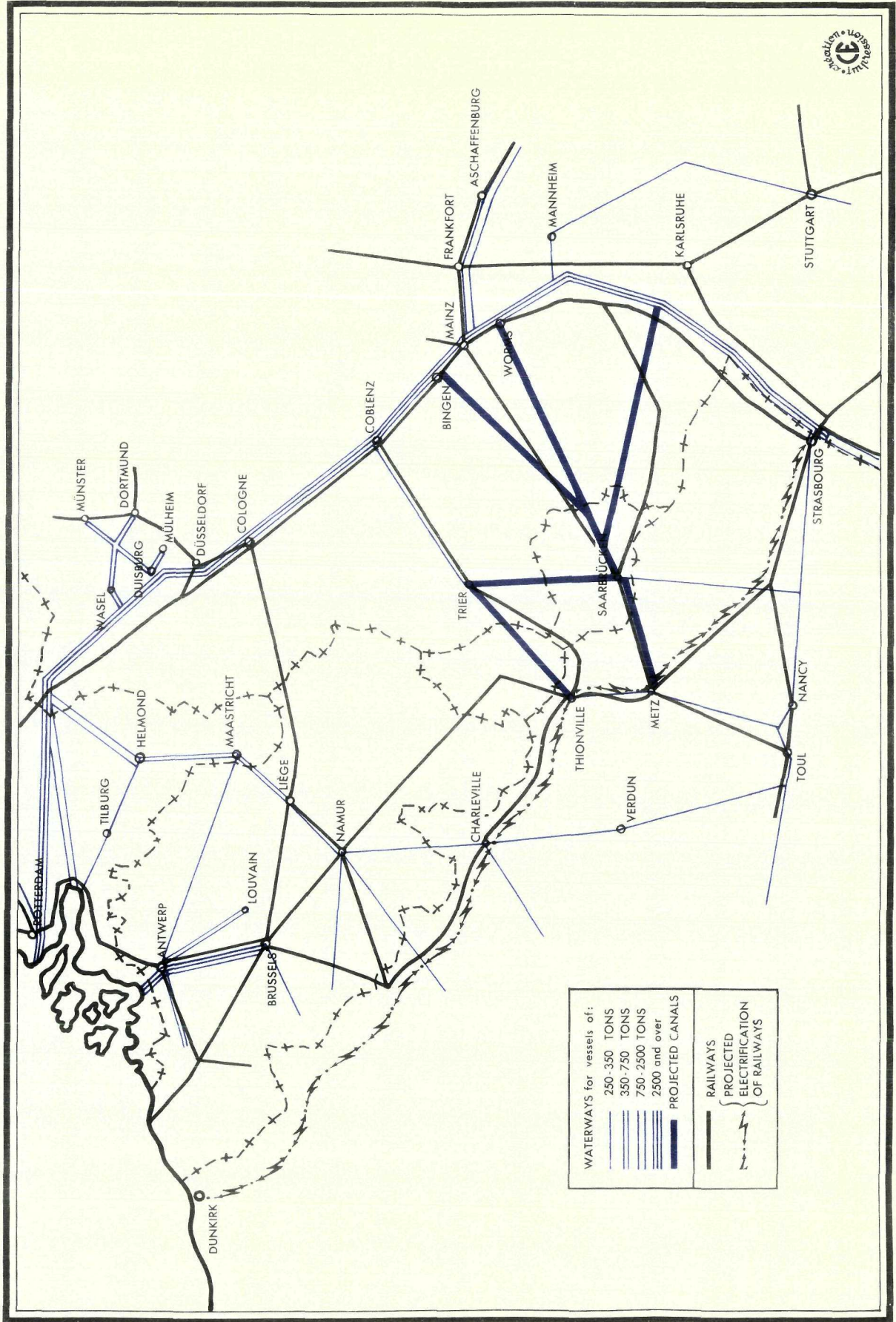
(¹) F. Hellwig, *op. cit.*, p. 142.

(²) Dr. Seibt, *The Re-integration of the Saar Heavy Industry after 1935* (see para. 415 below).

(³) *Op. cit.*, p. 147.

(⁴) *Op. cit.*, p. 150.

EXISTING AND PROJECTED WATERWAYS AND RAILWAYS



386. It goes without saying that at this time the Moselle project, which mainly favoured Lorraine, was of no interest to the German authorities. The Saar Chamber of Commerce, however, had been working since 1928 on its old project of 1888 for a Saar-Rhine canal through the Palatinate. Mainly because of the cost involved, however, the plan remained on paper. As a substitute the German Government introduced the so-called "als ob" tariffs, *i. e.* the railway tariffs were lowered to equal canal tariffs — had there been a canal — in order to satisfy the interests of the Saar. But the Saar did not lose interest in the canal project.

387. To-day the situation remains much the same. The Saar would profit from a direct waterlink with the Rhine and its main German markets, but such a project would be so costly that for the moment it is not being seriously considered¹). On the other hand the Saar has much less to gain from a canalisation of the Moselle than have the competing Lorraine industrial areas, and is thus not much interested in the international expert studies that are being undertaken now for the implementation of this latter project. A cardinal reason for this is the difficulty of finding the necessary capital (estimated at a minimum of 20,000 million frs.) for completing the project by a canalisation of the lower reaches of the Saar river — a *sine qua non* if the Saar is to draw any profit at all. The Moselle project concerns the Saar, since between a seventh and an eighth of the stretch to be canalised runs through Saar territory, and for this reason the Saar is expected to contribute towards covering the costs, as is Luxembourg. And, certainly, transport to the Ruhr would become cheaper, were the plan to be implemented as a whole². But the most important Saar interest in this matter is to reach the South German market easily; and, even with the Saar river completely canalised, the Saar authorities ask, would transport necessarily become cheaper? "Whereas the distance by rail to the Rhine ranges between 140 to 160 km. according to destination (in Southern Germany), the distance down the river Saar *via* Trier and Coblenz to the same destinations is 350 km., that is to say approximately twice as great as that for transport from the Ruhr to these areas. Rhine river transport in batches of five barges, moreover, represents a much more economic proposition than transport down the river Saar, which can be effected in ships of only comparatively small size"³.

388. Thus, the combined waterway of the Saar-Coal Canal from Emsdorf (south of Dillingen, but passing Völklingen) to the Marne-Rhine Canal still remains the only waterway available for the Saar industrial area. As such it has many inconveniences. Its depth is not more than 2 metres, and there are 36 locks (27 on the canal, 9 on the Saar), many of which are of an old-fashioned type. It is thus navigable only for ships of 250 to 350 tons. These technical inconveniences are aggravated by its being a somewhat roundabout route to those German markets which constitute its main interest from the point of view of the Saar. Its importance

(¹) The costs may very well be higher than those of the Moselle project, and fewer industrial areas have a direct interest in it.

(²) The following calculations have been made for freight costs between Thionville in Lorraine and Duisburg in the Ruhr:

	Present railway tariff	Railway tariff to be expected within the ECSC	The Moselle Canal
1 ton of coal	27 DM	20 DM	13.10 DM
1 ton of ore	17 DM	14 DM	9.90 DM

(Source: *Saarländische Bevölkerungs- und Wirtschaftszahlen*,

(³) *Saarländische Bevölkerungs- und Wirtschaftszahlen*.

to-day can be measured by the fact that in 1951 only half a million tons of coals were transported in a downwards direction and 350,000 tons in an upwards direction, or much less than the capacity of the canal. Expressed differently, no more than 2.9 % of the iron ore fetched from France, and 7.1 % of the coal delivered to France were transported this way¹.

Improvements in the transport position of the Saar may be expected in the coming years. Aside from the Moselle project discussed above, it is important to mention the advanced plans of the French authorities for modernisation of the whole waterways system of Northern and Eastern France, with which the Saar is connected through the Coal Canal. The railway systems from Thionville to Valenciennes and to Coblenz in Western Germany is expected to be electrified as early as 1954, and later on the former may be extended to Strasbourg and Dunkirk²; the electrification of the line Paris—Strasbourg and of the Lorraine lines is also foreseen for 1956. Given the existing shortage of capital, conflicting interests of the two transport branches concerned are likely to become increasingly evident. Regarding investments to be made and advantages to be gained, waterways transport is not always in the better position. It is therefore not certain that the canal question will remain as important a feature in the economic life of the Saar as it has been in the past³. In this connection also the effect on transport costs of the establishment of a common market within E. C. S. C. will have to be borne in mind⁴.

390. To complete the picture, it should be added that the attachment of the Saar to the German *autobahn* network was projected and started at Kaiserslautern after 1935, but was interrupted by the war. In the period between the wars Saarbrücken was connected with Cologne—Düsseldorf by airline and was also a stopping-point on the Paris—Berlin *via* Frankfurt line and Paris—Munich *via* Mannheim line. To-day, however, the Saar, like other parts of the middle region along the French-German frontier, is in an exceedingly unfavourable position as far as air communications are concerned⁵.

(¹) Without indicating the year *L'Économie de la Sarre* gives the corresponding figures of 4.5 % and 9.5 % resp. (p. 102). The tendency of increasing transport by rail is probably to be explained by the recent lowering of railway tariffs, which makes them about equal to those of the freight rates of the Coal Canal.

(²) See map p. 123.

(³) A new argument is introduced in the latest issue of the *Saarländische Bevölkerungs- und Wirtschaftszahlen* (4. Jahrgang, 1952, Heft 1/2, p. 58) where the point is made that: "The point of view of the Saar on the question of the canalisation of the Moselle is bound to be strongly influenced by the fact that mining under the river Saar will cause an appreciable sinking of the river bed between Saarbrücken and Völklingen and consequent difficulties to the river traffic."

(⁴) See below paras. 510—511.

(⁵) *cf.*, in particular, the position of Strasbourg.

VI. AGRICULTURE

A. — General conditions

391. The agricultural output of the Saar is quite insufficient for the country's own needs for a number of reasons :

- i) Natural conditions are on the whole unfavourable to agriculture (sandy soil, etc.).
- (ii) The density of population (due to the industrial resources of the territory, which have attracted manpower from agriculture since the middle of the last century).
- (iii) Closely connected with the last point is the intensive partitioning of holdings into small units. The Saar farms consist for the most part of a few acres, often hand-cultivated, and in consequence not adaptable to mechanisation. In 1948 nearly 55 % of the holdings of agricultural and forest land were smaller than 2 hectares and 83 % were smaller than 5 hectares, covering altogether nearly one half the soil cultivated. The proportion of holdings smaller than 2 hectares was nearly twice as large in number, and nearly ten times as large in total area, as the corresponding average in Germany. In contrast to this the holdings of more than 20 hectares accounted for only a third of the proportion of surface area they represented in Germany.

392. As a consequence of these factors the pre-war yield per hectare did not reach that of Germany, although it exceeded that in France :

YIELD
(in quintals per hectare)

Product	Saar	Germany	France
Winter wheat	22.0	29.0	16.6
Winter rye	20.5	23.6	12.0
Potatoes	172.4	218.7	122.5

(Source : *National Statistical Yearbooks*)

393. During the early post-war years the position of Saar agriculture seems to have deteriorated still further. Apart from the possible effects of structural changes in the economy as a whole, which tend towards increasing the emphasis on industrial production, the following specific reasons may be mentioned :¹

- A shift in the agricultural pattern towards animal feeding stuffs owing to a lack of incentives to grow food crops, which can be sold only at controlled prices.
- A further decrease in crop yields, due to the exhaustion of the soil and the inability to secure sufficient fertilisers, owing to the export to

⁽¹⁾ L. G. Cowan, *op. cit.*, p. 198, and U. S. A. State Department, Documents and State Papers, October, 1948.

France of phosphates and nitrogen, although these were produced at home and were sufficient to meet the Saar's needs.

— a prolonged drought in 1947.

B. — Degree of self-sufficiency

394. The extent to which indigenous agricultural production covers the needs of the population appears from the figures given in the table below for 1938 and 1951, to which are added the volume of agricultural products imported in the latter year.

395. It appears that the consumption *per capita* has not yet fully reached the pre-war level, which is explained by an increase of population of about 15 % since 1939. This increase also partly accounts for the downwards tendency as far as the degree of self-sufficiency is concerned. The case of milk, however, provides a remarkable exception: whereas more than half had to be imported before the war, the figure had fallen to about 20 % in 1951, mainly owing to the incorporation of new territory into the Saar.¹ The local supply of beef and veal is also increasing, although it is still far from sufficient.

THE FOODSTUFFS SITUATION OF THE SAAR

1938, 1951

per capita

(consumption in kilos, imports in tons)

	Consumption per capita		Percentage of consumption covered by production in the Saar		Imports
	1938	1951	1938	1951	1951
Wheat	112.4	104.9	31.7	15.3	89,232
Rye	—	..	47.6	59.3	16,290
Oats	—	—	40.7	98.3	500
Barley	41.0	..	14.9	52.7	6,000
Potatoes	..	..	100.0 ¹⁾	77.1	64,038
Above for human consumption	188.7	180.0	100.0	74.1	44,030
Fresh vegetables	..	62.9	..	60.0	24,047
Fresh fruit	..	466.0	..	78.2	9,680
Milk	103.0	59.3	45.0	79.1	21,012
Butter	9.3	6.1	9.2	6.5	5,500
Beef	14.9	18.7	94.7	32.9	9,822
Veal	2.9	1.5	49	17.4	766
Pork	28.9	19.5	68.1	76.2	3,794
Eggs (piece)	..	135	..	34.6	88,300

⁽¹⁾ Surplus of 150, 735 tons.

(Sources: 1938, *L'Economie de la Sarre*, 1951, Saar, *Stat. Off.*)

⁽¹⁾ See also paras. 459-461 below.

396. Various attempts have been made, both before and after the war, to express the extent to which the Saar is capable of feeding itself in one "overall" figure. The figures which have been suggested are in the neighbourhood of 20 %. This means that without food imports the Saar would be able to feed itself only for two or three months.

C. — Origin of food imports

397. Up to 1913 the Saar took the great bulk of its imports from the neighbouring provinces within the German customs area, which included a large portion of Lorraine. Until the establishment of the customs frontier in 1925, 70 % still came from Germany. During the years that followed Alsace-Lorraine became the main source of Saar food imports. The neighbouring German provinces continued to deliver potatoes, margarine and rye; and "in so far as the great bulk of dried and preserved foodstuffs was concerned, the Saar remained dependent on Germany owing to the fact that the tastes of the people remained pronouncedly German" ¹.

398. As a consequence of the reunion with Germany in 1935, the German food market again took the lead. In the same way the Saar to-day again depends almost entirely on France ²; thus during each of the three years 1949, 1950 and 1951 more than 90 per cent of the food products imported wholesale came from France. During the four years 1948—1951, 97 %, 99 %, 96 % and 95 % respectively of the wholesale purchases of foodstuffs were made in the Saar and France together; though the French share fell steadily from 70 % in 1948 to 58 % in 1951.

(¹) Reynolds, *The Saar and the Franco-German Problem*, p. 215 (London, 1934).

(²) cf. G. Schneider, *op. cit.*, p. 10—11.

VII. TRADE AND MONETARY PROBLEMS UNDER THE INTERNATIONAL REGIME

399. In the period before the first world war when the Saar was part of Germany its trade was largely concentrated in the South German market.¹ Trade with France was comparatively small. After the war the return of Alsace-Lorraine to France changed the position of the Saar. For, whatever political status the Saar had been given and wherever its customs frontier had been drawn, its commercial relations with Germany and France would have undergone certain changes. But the Versailles Treaty went further: the Saar Basin itself became subject to the French customs régime, and, in connection with the passing of the coal mines into French ownership, the circulation of French money in the Saar Basin was permitted.

A. — Trade development — special customs agreements

400. The Versailles Treaty sought to obviate the disturbances which might arise from the change in customs régime and ownership of the mines through a number of regulations. First of all the French State, while enjoying "complete liberty with respect to the distribution, despatch and sale price of the products of the mines and their accessories and subsidiaries" undertook "that the requirements of local consumption for industrial and domestic purposes shall always be satisfied in the proportion existing in 1913 between the amount consumed locally and the total output of the Saar Basin".² Furthermore, "no export tax shall be imposed upon metallurgical products or coal exported from the said territory to Germany, nor upon German exports for the use of the industries of the territory of the Saar Basin". Saar products in transit over German territory and *vice versa* "shall be free of all customs duties".³

401. Of the greatest importance were certain clauses concerning the *transitional period of five years*. During this period "products which both originate in and pass from the Basin into Germany" and "articles imported from Germany into the territory of the Basin for local consumption shall... be free of import duties". While the frontier towards Germany remains open, one qualification is made regarding the free exchange of goods between the Saar Basin and France: "The French Government reserves to itself the right of limiting to the annual average of the quantities imported into Alsace-Lorraine and France in the years 1911—1913 the quantities which may be sent into France of all articles coming from the Basin which include raw materials and semi-manufactured goods imported duty free from Germany"³.

402. Even before tariff barriers were raised between the Saar and Germany, and the Saar was formally placed under the French customs union, on January 10th, 1925, the need for further agreements on trade between the Saar and Germany was felt on both sides. French authors claim that this was because no really efficient measures of re-adaptation had been taken during the transitional period⁴. This

(¹) "In 1913 South Germany (the Rhine-Main area, Baden, Württemberg and Bavaria) took three-quarters of the Saar exports to the Reich (Alsace-Lorraine excluded). The Rhineland (including the Ruhr), on the other hand, which in many respects resembles the Saar Basin, took 14.2 % and the remaining parts only 10 % of the total Saar exports to the Reich." (H. Overbeck and G. Sante, *Saar-Atlas*, Justus Perthes, Gotha, 1934, p. 20.)

(²) Article 15 of the Appendix to the Versailles Treaty.

(³) Article 31 of the Appendix to the Versailles Treaty.

(⁴) *e. g.* R. Herly, *op. cit.* p. 88.

may be true and is partly to be explained by the fears of French industrialists for competition from the Saar at a time when there had been a crisis of over-production, which was particularly felt by France because of the re-integration of the Lorraine heavy industry. From a more long-term point of view, however, the need felt before 1925 by the Saar industry not to be artificially cut off from the German market should rather be regarded as an inevitable consequence of the change of régimes, for which no entirely transitional agreement could be considered as satisfactory. In this way the year 1924 saw not only an intensification of Saar exports to Germany but also preparations for negotiations between the French and German Governments on the Saar-German trade problem.

403. These negotiations were to last, with interruptions, from 1925 until February, 1928, when a comprehensive agreement consolidating earlier minor agreements was reached. The issue was extremely complicated, and on both sides political rather than economic considerations predominated. Parallel negotiations were going on between the Governments concerning Franco-German trade in general as well as between the steel concerns themselves with a view to dividing both internal and external markets. On the German side much weight was attached to the Ruhr desire to have the steel industries of the Saar joined to the German "*Rohstahlgemeinschaft*". The French Government was anxious to reserve as much as possible of the Saar market for consumers' goods for Alsace-Lorraine, at the same time as it hesitated about giving the Saar industries advantages on the German market over those of Alsace-Lorraine. Thus, for natural reasons, the special character of the Saar issue was more stressed by the German side than by the French, while the latter tended to refer to the general Franco-German trade negotiations. The final agreement provided, in particular, for free entry into Germany of Saar iron, steel, glass and pottery in quotas based on the amounts consumed before the war, whereas a certain amount of German industrial equipment and some consumer goods were allowed into the Saar in fixed duty-free quantities, or after paying only reduced general tariffs. A strict control was thought to be necessary in order to prevent the Saar from becoming an open breach in the two customs systems to the detriment of both.¹

404. Under the international régime the Saar thus enjoyed on the whole a favourable position "as a manufacturing area between two great States, with a ready market to both and each competing to gain the favour of Saar producers".²

405. The most remarkable feature of the period, and particularly after 1925, is the expansion of Franco-Saar trade.³ As far as iron and steel are concerned, 75 % had gone to Germany before 1914, and only 0.1 % to France. From 1925 to 1930 the French share of all Saar metal products was 34.4 % compared with

(¹) e. g. see R. Herly, *op. cit.*, and *Deutsche Wirtschaftszeitung*, Berlin, 26th April, 1928.

(²) L. G. Cowan, *op. cit.*, p. 151.

(³) It is impossible here to go into all the difficulties which arise in assessing Saar trade figures. They originate from the fact that there are no exact statistics available on the trade between the Saar and the country with which the Saar formed a customs union at any given period. Railway statistics are usually referred to. But "the railway figures, which only include parcels of over 500 kilogrammes, do not present a complete record, even if we add canal traffic to them. There is only a land frontier between France and the Saar, so there are several other means of transport, motor transport and the post. The Saar and the French border districts are very closely connected, for the people talk the same language (various German dialects), use the same money, and many of them have relatives who live across the frontier. There is therefore a continual coming and going across what is, after all, quite an arbitrary frontier as far as normal intercourse is concerned. All this naturally makes estimates very difficult" (M. Lambert, *op. cit.*, p. 184). *Das deutsche Institut für Konjunkturforschung*, December, 1934 (quoted in Prof. B. Rauecker, *Die sozialen und wirtschaftlichen Beziehungen zwischen Elsass-Lothringen und dem Saargebiet*, 1920—1935, p. 91—98) analyses the French estimates of Franco-Saar trade and arrives at figures which are about 50 % lower. All trade figures, except perhaps those for coal and steel, should therefore be studied with these reservations in mind.

45.5 % for Germany, and in 1933 the French figure was only slightly less than that of Germany. At the same time the Saar became the sixth best customer of France, especially for agricultural products: for the place of the Rhineland as a source of food was largely taken over by Lorraine and Alsace.

406. A German source comments on this change of origin in food imports: "From a purely economic point of view this implied neither advantages nor disadvantages for the Saar. Those who suffered were the farmers of the German frontier regions, *i.e.* in the Western Rhine-Palatinate, Hunsrück, Birkenfeld and Eifel, while the fruits were reaped by the Lorraine farmers"¹. This illustrates one aspect of the Saar problem which is not always brought out: the changes of regime may affect the adjacent regions, the French or, in this case, the German, as much as or even more than it affects the Saar itself.

407. As has been shown in the historical part of this Report, the whole period of the International Regime may be called a transitional period, pending the plebiscite in 1935. This is not the place to examine the numerous difficulties caused to the Saar economy by the general uncertainty of the situation. It is sufficient to mention that the possibility of a change of regime had been foreseen in the Versailles Treaty, which laid down that, if the Saar were to be reunited with Germany and the coal mines repurchased by Germany, "the French State and French nationals shall have the right to purchase such amount of coal of the Saar Basin as their industrial and domestic needs are found at that time to require"².

408. The clause quoted here was an acknowledgement of the special French interests in Saar coal. Concerning trade in general the situation which had existed around 1925 recurred ten years later, although in a slightly different form. This time it was a question of mitigating the repercussions on trade of a possible separation of the Saar from France. Negotiations had been going on from 1929-30 onwards between the two Governments, and the League of Nations also considered the matter. Two commercial treaties were signed between France and Germany before the end of February, 1935. Fixed quantities of a number of agricultural products, including milk, beef and pork, butter, cheese, were to be imported, usually duty-free, from France into the Saar, while fixed amounts of Saar industrial products including perfume, household articles, furniture, paper, beer, steel, sheet metal, shoes, men's clothes, porcelain, tubes, and aluminium products were to be imported into France after paying a reduced minimum tariff. Because of opposition from industrial circles in Alsace-Lorraine the agreement was denounced later the same year.³

409. It will be shown below that the question of the Saar trading relations with "the other country" remained a vital issue during the "German period" before the second world war, as well as during the "French period" since 1945.

B. — The introduction of the French franc

410. The signatories of the Versailles Treaty did not have the intention of supplementing the customs union established by it between France and the Saar with a monetary union. On this point the Treaty goes no further than to stipulate that "no prohibition or restriction shall be imposed upon the circulation of French money in the territory of the Saar Basin" and that "The French State shall

⁽¹⁾ See P. Wizinger, *Die Versorgung des Saargebietes mit landwirtschaftlichen Erzeugnissen vor und nach der Errichtung der Zollgrenze, Zusammenfassung und Schluss*, Heidelberg, 1929.

⁽²⁾ Article 37 of the Appendix to the Versailles Treaty.

⁽³⁾ See also paras. 487—488.

have the right to use French money in all purchases, payments and contracts connected with the exploitation of the mines of their accessories and subsidiaries".¹

411. It remains an open question how a system with two parallel currencies would have worked in the Saar, and to what extent it would have contributed to the stabilisation of trade relations of the Saar with the two big countries to east and west, had the monetary mechanism of pre-war days functioned satisfactorily without any breakdown of national currencies. The fact remains that the collapse of the mark in the beginning of the 'twenties forced the Governing Commission in 1923 to declare the French franc sole legal tender in the Saar Basin.

412. The events leading up to the decision of the Commission were briefly the following. During the first six months the French Mines Administration did not make use of the right afforded to it by the Versailles Treaty to pay its people in francs. But the German mark was already falling, which meant a rising cost of living for the people of the Saar, further aggravated by a real shortage of food and other supplies. The shortage was increased through purchases made cheaply in French francs by people from Lorraine. The workmen clamoured for higher wages. The Mines Administration set the ball rolling in June, 1920 by its decision to pay the miners in French francs. The relative purchasing power of one-third of the population was suddenly increased. "Demands for higher wages spread to the metal workers and Government employees. On June 25th a strike involving more than 40,000 workers in all branches of the iron and steel industries broke out over the wages question... it was almost impossible to plan a budget for the Territory in the face of future uncertain currency values... At its meeting on December 1st the Commission heard a report from the Chairman outlining the necessity of paying the employees of the railways, post and telegraph services in francs. The Committee decided during the following quarter that, from May 1st, 1921 onwards, the salaries of all public officials were to be payable in francs. The continued decline of the exchange rate of the mark meant increased hardship during the following year for that part of the population still using German currency, and the Commission was finally forced to declare the franc sole legal tender as from June 1st, 1923".²

413. The political parties in the Saar claimed that the universal circulation of the franc had never been demanded by a majority of the people. The German Government protested that the French franc should only be considered as *de facto* legal tender, but that the mark should remain legal tender *de jure*. Particularly, opposition was raised against the franc remaining legal tender even after the German mark was stabilised in 1924 (*Rentenmark*). As for the Saarlanders, they benefited only temporarily, as the devaluation of the French currency in 1928 brought new difficulties to the Saar economy. The new situation is illustrated by the fact that the German Government paid the travelling expenses of the "*Saargänger*" from their homes in Hunsrück and the Palatinate to their places of work in the Saar, and, in addition, granted them a direct monthly allowance in order to enable them to maintain their families in Germany; for there they had to pay in marks, but their wages were paid in francs³.

414. To summarize, the introduction of the French franc in the Saar in 1923 by the Governing Commission was a measure not foreseen in the Versailles Treaty, but which was caused by the collapse of the mark. It certainly contributed to making the Saar an essential market for French agricultural products and to the general re-orientation of trade towards France, as well as to the penetration of French capital into Saar industries⁴.

(¹) Article 32 of the Appendix to the Versailles Treaty.

(²) L. G. Cowan, *op. cit.*, pp. 134—135.

(³) *cf.* Wambaugh, *op. cit.*, pp. 13—14.

(⁴) See above paras. 366—367.

VIII. PROBLEMS ARISING FROM THE RE-INTEGRATION WITH THE GERMAN ECONOMY AFTER 1935

415. As has been pointed out in the historical section of this Report¹, an important study of these problems was made during the Second World War by Dr. Seibt². The following is a series of verbatim extracts from his book which is difficult to obtain; they summarize the chief points which he makes.

Links between the Saar and Lorraine

416. "The new political frontiers do not have the same significance for the Ruhr and the Saar coalfields. The foundries in the Ruhr found it relatively easy to dispense with their sources of Minette ore — though at considerable sacrifice — since their proximity to the sea enabled them to import ores from Sweden, Spain, North Africa, etc. For the Saar foundries this adaptation was not possible, since the Saar is too far inland, and its old-fashioned canal communications with the Rhine and the French network are quite inadequate. By its geographical position the Saar foundries look naturally to the Lorraine-Luxembourg ore supplies, as long as no ore is available from Germany itself. The natural inter-dependence of the Lorraine-Luxembourg-Saar supplies of raw materials has resulted in the survival of strong bonds across the frontiers even now that the pre-war unity has been broken up..."³.

France — the greatest consumer of Saar coal

417. "It was easier to sell Saar coal in France, a coal-importing country, than to dispose of it in the already satiated German market..."

418. The two main questions for the Saar coalfields after their return to Germany were, first, how far the French market, which had till then taken up the majority of the coal exported from the Saar, would maintain its position, and how much room would be found for Saar coal in the German market. The answer to the second question depended to a large extent on that of the first question..."⁴.

419. "... Thereby (by the quota allocation of the Rhine-Westphalia Coal Syndicate) the mining of the Saar fields was more than protected. In 1938 it amounted to 14.4 million tons. If, despite sales to the RWKS⁵, it was not possible to keep the Saar mines fully employed, and there were complaints of difficulties in finding markets, the trouble was not in the quota allotted to the Syndicate but in the hesitation of the rest of the German syndicates to take up Saar coal. In 1934 it was not only RWKS but all the German coal syndicates which pledged their readiness to find room for Saar coal on the German market. The intention was that the so-called "Help the Saar" campaign should not fall on the RWKS alone, but should be spread over the whole German coal economy according to a fixed

⁽¹⁾ See paras. 136—138.

⁽²⁾ *The Re-integration of the Saar Heavy Industry after 1935*, Munich Studies in Political Economy, Gustav Fischer, Jena, 1941.

⁽³⁾ *Op. cit.*, p. 1.

⁽⁴⁾ *Op. cit.*, p. 25.

⁽⁵⁾ *Rheinisch-Westfälischen-Kohlensyndikats*.

scheme. Even far removed regions like Upper Silesia were to participate by ceding a part of their market to the Ruhr, while the Ruhr did the same for the Saar. It is clear from several statements by the Saar mining authorities that these promises by the rest of the German syndicates had not adequately been carried out up to 1937. This was mainly due to the big increase in lignite mining in Southern Germany after the war. The RWKS commented: "the Saar fields were not able to work at full capacity in the first half of the official year, as in the previous commercial year 1935/36, because certain syndicates did not take up enough of their coal. Thus the task of disposing of Saar coal fell to a correspondingly greater extent on our shoulders." The final assessment of the allowance to be taken up by individual syndicates was eventually fixed in the summer of 1938, after long negotiations, by a decision of the Reich Minister of Economics¹.

Lorraine ore essential to the Saar iron foundries

420. The problems arising from the separation of the Saar-Lorraine economic area "were relatively easy to solve, as far as markets were concerned, owing to the scarcity of iron in Germany. It was more or less a question of merely adjusting quotas within the cartel organisation. Although the coal supply situation has not altered, the position of iron ore, the basic raw material, has undergone a radical change owing to the removal of customs barriers on the French frontier. The ore smelted in the Saar foundries is predominantly French (80 % to 90 %), and this proportion has not appreciably diminished through the return of the Saar. The change in the situation, however, is due to the fact that up to 1935 the supply of such ore within the joint Franco-Saar customs and currency union was taken for granted, whereas to-day the Saar foundries can continue to use it only by waging constant war on the obstacles created by the political background with its strong traditions, the economic restrictions imposed by the ore mines, French customs policy, and, above all, the German currency regulations. It is impossible to replace this ore by ores from the interior, because Germany is itself an ore-importing country — in 1937 it produced 8.5 million tons but had to import 20.6 million tons, 9.1 million of which was Swedish ore which contains twice as much iron as German ores..."²

Difficulties over Raw Material Supplies

421. The ore supplies were safely secured — but only after great efforts by the Governments and foundries. Not only was it necessary during the first four years after the return of the Saar to conclude six successive agreements in order to maintain deliveries, but the Saar foundries were also held up continually by their irregularity and the spasmodic nature of the deliveries when they did come. The periodic shortage of labour resulting from the introduction of the forty-hour week, and a number of strikes, made it sometimes impossible for certain pits to deliver their full quota of ore supplies; for weeks on end only a small proportion of the normal volume was received. Even though the arrears were eventually made up, the transport and stock position of the foundries was, nevertheless, seriously affected, and in many cases the price of ore went up by 30 or 40 % owing to the extra loading involved. The morale of the workers also suffered from the labour disputes; this affected the quality of the supplies, and too much stone was delivered with the ore. In addition the foundries were constantly at loggerheads with the pits over the price increases, claiming that since the iron and steel

⁽¹⁾ *Op. cit.*, pp. 33—34.

⁽²⁾ *Op. cit.*, p. 47.

industries in France and Belgium were in full swing there was no lack of markets for ore. The tendency to raise ore prices was aggravated by the fact that owing to the German currency regulations the Lorraine foundry companies found themselves unable to transfer more than a small proportion of the interest due to them on their shares in the Saar iron and steel industry, and hoped to make up the amount by the indirect means of raising the prices of the ore obtained from their mines. Thus, prices rose between 1936 and 1938 from an average R.M. 4 to R.M. 7 per ton at the head. True, under the coal ore agreement the price of ore had been tied to that of Ruhr coke in the ratio of 2.6 tons of minette to 1 ton of coke, but the Saar itself derived no profit from such price increases. An unstable position such as that described above, in which the supply of vitally needed raw materials is constantly threatened by a series of circumstances over which those concerned have little or no control, becomes in the long run unbearable for an industry which has powerful plant to keep going, for whose depreciation it must allow and on which thousands of people rely for their daily bread. Not only the foundries but also to some extent the coal-mines and the whole iron-manufacturing industry of the Saar depend on the production of iron ore. The Saar foundries were thus forced to consider whether it was not possible to find at least a partial substitute elsewhere; the search for such a substitute also fitted in with the wishes of the Reich, which at that time was making vigorous efforts to raise German iron production.¹

Swedish ore an impractical alternative.

422. The possibilities (of smelting Swedish ore in the Saar) are, however, limited for technical reasons, and it is estimated that not more than 15 % of the mixture used can be composed of Swedish ore. In the first place the Saar blast-furnaces are constructed for smelting minette, not Swedish ore, and the two ores react differently to the reducing process. Secondly, Saar coke being more brittle than Ruhr coke is less capable of bearing the weight of the heavy Swedish ore (60 % iron content). It is, moreover, impossible to use it in greater quantities because it is too dear. Owing to higher freight charges Swedish ore costs approximately R.M. 3 more than Ruhr ore; this brings the price up to some R.M. 21 per ton on delivery at the Saar.²

German Production no substitute for Minette.

423. "... There could be no question of finding a substitute for minette from German production. In the previous century the Saar foundries had already abandoned the German, mostly Rhine, ores, which they had used hitherto for smelting, and had turned instead to minette, because the German ores could no longer anywhere near satisfy the demand. In 1934 they supplied the Saar with only 75,180 tons, a mere 1.6 % of the latter's requirements; a temporary rise in 1936 to 3 % was followed in 1937 by a drop to 1.1 %.

424. It is thus clear that it was not possible to replace minette by the other ore supplies hitherto available to the German economy to a sufficient extent substantially to lessen or even remove foreign trade difficulties. The Saar foundries were therefore reduced to adopting the only course remaining open, which was also that taken by the Reich in July, 1937 in erecting the Hermann Göring Works; that is, to open up new ore-mines in Germany. Their opportunity came in the form of the South Baden dogger-ore mines.

⁽¹⁾ *Op. cit.*, pp. 51—52.

⁽²⁾ *Op. cit.*, p. 53.

425. The existence of dogger-ore, an oolitic brown iron-ore has been known for a long time; the region extends South-West from the French jurassic ore area past Wasseraifingen and Geislingen to Blumberg (south of Donaueschingen) Supplies in South Baden, amounting to 200 million tons, are placed in the second category; more recent estimates put the figure even higher. In the second half of the 17th century the Princes of Donaueschingen had already made attempts to smelt these ores, but had failed owing to the latter's unfavourable qualities and the lack of suitable hydraulic power. During the following years the deposits were left untouched as not being worth mining owing to their high sulphur and silicium content and lack of iron content. Their iron content, in fact, amounts only to 20%, a considerably lower rate than that of minette, which itself, with its average 32% does not rank as one of the most valuable ores. It is particularly unfortunate that dogger-ores contain so much sulphur, the worst enemy of iron — more than ten times that of minette..."

The suggestion that the Saar Foundries should be moved to the southern part of the Black Forest.

426. "... The technical problems of dogger-ore smelting lie outside our scope. It nevertheless seems necessary to indicate at least the main lines along which a solution might be sought, for the process or processes which the technicians ultimately find to be the best will have a decisive effect on the future structure of the Saar iron and steel industry, particularly on the question as to *whether part of the foundry installations should not be moved to the southern part of the Black Forest...*"¹

427. "The development of these processes and the choice of the most suitable type of blast-furnace will involve large-scale research work. On its results, however, will largely depend not only the costs but also the future location of the Saar foundries. This question can only be briefly touched upon here. If the dogger-ore is processed first into smelting-iron or loops, then the requisite furnaces will certainly have to be constructed in the South Baden mine-fields; it is cheaper to transport 1 ton of coke or even more to Zollhaus-Blumberg for the production of 1 ton of smelting-iron or loops, and then convey the ton of iron to the Saar, than, conversely, to transport 5 tons of ore (20% iron content) to the Saar. The same question applies to the process of de-sulphurisation with soda — and here another fact should be taken into account; if de-sulphurized crude iron for the "Thomas" process is manufactured in the Saar it can be further processed into the finished rolling-mill product while still hot; if it is manufactured in the Black Forest, however, it can be transported to the Saar steel-works only after cooling. Would it not therefore be wisest gradually to move the steel and rolling-mills also to the ore-mining regions..."²

428. It is necessary to comment on the remarkable conclusion which Dr. Seibt reached. It amounted to no less than an admission that it is impossible to reintegrate the Saar economy into that of Germany, if this implies a severance from Lorraine, unless measures as radical as transplanting many of the Saar foundries to the Black Forest are undertaken. This conclusion reached after the experience of 1935—39 has the most far-reaching implications; the more so since Dr. Seibt's findings were corroborated by a highly confidential study ordered by the Reich Minister for Economic Affairs³.

⁽¹⁾ *Op. cit.*, p. 56.

⁽²⁾ *Op. cit.*, p. 58.

⁽³⁾ See Section A of this Report, paras. 136—138.

IX. THE FRANCO-SAAR ECONOMIC UNION

A. — *Data concerning the implementation of the economic "attachment" of the Saar to France and the Franco-Saar Economic Union.*¹

429. The main reason why French policy aimed at an early economic "attachment" of the Saar to France seems to have been the coal question. The French Government had already asked that the Saar mines be returned to France at the conference in Paris, 16th May, 1946. But the ownership of the mines was not the only issue. As the Saar was part of the French occupation zone in Germany, its coal entered the inter-Allied German coal pool, which was distributed between the German home market and importing countries on a quadripartite basis. Furthermore, the coal had to be paid for in dollars. Thus, in 1948, when thanks largely to French efforts Saar coal production had risen to 900,000 tons a month, France, which needed coal badly, received no more than 100,000 tons and had to pay in dollars even for this quantity. Now, an Allied acknowledgment of the economic "attachment" of the Saar to France would imply that France could dispose of the Saar coal freely. It therefore became a major aim of French policy in the Saar to gain such an acknowledgment.

430. The formation of a Customs union between two countries was formerly regarded as a goal in itself, and as a means of economic co-operation. Under existing economic circumstances and policies a customs union is supposed to be followed by various measures of co-ordination leading eventually to complete economic union. The Franco-Saar economic union, concluded in March, 1950, is a unique example of the co-ordination of policies preceding the customs union in the proper sense of the word.

431. The following claims to be no more than an enumeration of the chief measures to implement the policy of economic attachment which have been taken since 1946 :

22nd December, 1946

432. A customs frontier was set up between the Saar and the rest of Allied Occupation Zones in Germany.

7th June, 1947

433. A separate Saar currency, the Saarmark, was introduced.

20th November, 1947

434. In connection with the signing of the Saar Constitution a number of basic measures of economic attachment were undertaken :

- a) Introduction of the French franc in the Saar. The exchange was made on a basis of 20 francs per mark (the official rate had been 15). This rate has been much discussed and criticised. The French author, Müller², who is quoted by German sources on this point³, estimates the

⁽¹⁾ The main source of this section has been R. Müller, *Rattachement Economique de la Sarre à la France*, Strasbourg, 1950.

⁽²⁾ *Op. cit.*, pp. 150—155.

⁽³⁾ e.g. G. Schneider, *op. cit.*, p. 27.

purchasing power of the mark at this time to be between 30 and 50 francs, but points out that such a rate would have been politically impossible, since Alsace and Lorraine had not received more than 15 francs per mark in 1944. It has been estimated that the introduction of the French franc cost the French Treasury about 50 milliard francs¹.

- b) As a consequence of the monetary reform, French price regulations and price control were introduced (with certain modifications), as well as French wages-cales.
- c) The free import of most goods from France was allowed, although customs control between France and the Saar was maintained. Exceptions were made for foodstuffs rationed in France, for foodstuffs from the Moselle, and for goods whose export was prohibited. In relation to third countries the Saar remained part of the German customs area.

435. To the above should be added certain complementary measures :

- (i) French monetary and exchange control legislation was made applicable in the Saar ;
- (ii) The French credit organisation was extended to the Saar.
- (iii) Provisional measures were undertaken for equalising certain indirect taxes and monopoly legislation.

1st January, 1948.

436. Control of French imports of Saar goods was abolished.

15th January, 1948.

437. A fiscal and budgetary convention was signed providing, *inter alia*, for :

- a) Harmonisation of taxes in the two countries, either by making them equal directly (*e.g.* turnover taxes) or by leaving the Saar legislation as such, but striving to impose an equal burden (*e.g.* in company taxation). These measures were supplemented by regulations concerning the avoidance of double taxation and administrative assistance.
- b) Establishing the division of certain common budget expenditure and revenue on a population basis ; establishing other administrative expenditure for administration, control and security on the Saar territory) to be defrayed by the Saar (up to 7.5 % of its budget).
- c) The Saar Constitution and the Franco-Saar fiscal and budgetary conventions were supplemented by a judicial convention.

28th January, 1948.

439. A tripartite agreement was reached in Berlin to the effect that, as from 1st April, 1948, the Saar coal would be successively withdrawn from the German pool and be regarded as part of the joint Franco-Saar resources. The importance of this step for France was increased a month later when agreement was reached within the Economic Commission for Europe that the French share of the German coal should not be decreased.

⁽¹⁾ However, as pointed out by M. Robert Schuman in the *Courrier de Metz*, neither the Economic Union with the Saar nor the French administration of the Saar "cost the French tax-payer a centime".

20th February, 1948.

439. A tripartite agreement was made in Berlin :

- (i) regulating the effects of the French economic attachment of the Saar as far as German reparations were concerned (these reparations had been calculated originally on the basis of a German economy which included the Saar) ;
- (ii) establishing that, from 1st April, 1948, trade between the Saar and Germany was to be regarded as foreign trade carried on in dollars.

30th March, 1948.

440. On the basis of the Berlin decision of 20th February, a French Government decree assimilated the Saar to the French Customs territory.

3rd March, 1950.

441. After the conclusion of various supplementary conventions in 1948 and 1949, full economic union was finally established on March 3rd, 1950 through the signing of five basic and seven accessory conventions¹.

26th November 1952.

442. In a letter to the Saar Government the French Foreign Minister offered to begin negotiations concerning certain points of the economic conventions which have been queried by Saar authorities and of which the revision had been requested both by the Popular Christian and the Socialist Parties.

These points were :

- a) the substitution of a joint Franco-Saar Mines Administration for the present French "*Régie des Mines*";
- b) the reconsideration of the Saar's position in French foreign trade, particularly in the matter of quota and licence distribution ;
- c) the reconsideration of the Saar contribution to administrative and defence expenditure.
- d) the cancelling of the sequestration of certain steel mills at the earliest possible date ;
- e) the continuation of negotiations about the Warndt coalfield ;

Points (a), (c), (d) and (e), although of greatest importance to the Saar economy, are mainly political questions and will not be dealt with in this part of the study². The problem of foreign trade (c) alone is discussed below³.

⁽¹⁾ See Section B pp. 261—275 above, and footnote to para. 447.

⁽²⁾ Some background information on point (a) is given in para. 335 ; on point (b) paras. 470—479 ; on point (d) paras. 366—367 ; and on point (e) paras. 336—337. Concerning the Warndt question it appears above that the problem existed in the inter-war period long before the Franco-Saar Economic Union came into existence. It should thus be possible to find a solution to this problem "one of the most important questions, if not the most important, of the programme of the negotiations", independently of any solution reached to other problems connected with the functioning of the Franco-Saar Economic Union. (Communiqué of the Saar Government, 18th March, 1953.)

⁽³⁾ See paras. 470—479.

20th May 1953.

443. After more than three months of negotiations a new general convention and four special conventions were signed in Paris by representatives of the French and the Saar Governments.

444. In the present context the *Economic Convention* is of particular importance. The first article of this Convention recalls the fact that the French Government and the Government of the Saar make no distinction, in their respective territories, between the products and services of the French and Saar economic systems, or between the supply of raw materials for enterprises in either country.

445. The French Government have undertaken to bear in mind the special economic interests of the Saar when negotiating and implementing Trade Agreements and treaties or arrangements regarding monetary or customs policy. Furthermore, the Government of the Saar will be entitled to send representatives to take part in negotiating trade agreements.

446. While in principle import licences applied for under commercial agreements are to be issued by the French authorities, it has been decided that in the case of certain countries, and of certain products of particular importance to the economy of the Saar, licences may be issued directly by the delegation of the *Office des Changes* in Saarbrücken; such issues are to take place at the suggestion of the Saar Government, after consultation with the Saar Government's technical committees.

447. For products whose supply is controlled or subject to "quota" restriction, the two Governments will agree upon the quantities to be allotted to either country, so that the needs of both economic systems may be met without unfair discrimination¹.

448. Both Governments are anxious to maintain the balance of the economic burdens borne by enterprises in their respective countries. The Government of the Saar is to take all necessary measures to ensure that firms in the Saar shall be run under the same conditions as those imposed upon French firms. It must take steps to ensure that the taxes, duties and expenditure on welfare services required in the Saar, and any economic subsidies or social services which it may itself provide, shall not differ from the burdens or advantages of a similar nature applied in France to the same categories of firms.

449. In the *Fiscal and Budgetary Convention* the maximum amount to be defrayed by the Saar for administrative expenditure in connection with the execution of the Conventions is lowered from 7.5 % to 5 %.

450. The new *Mines Convention* stipulates that a joint Franco-Saar Mines Administration is to be created to replace the French *Régie des Mines*. A *protocol concerning the Warndt coalfield* contains an agreement to appoint an expert committee of five members (three of whom should be neither French nor Saarlanders) to settle this question.

(1) This goes considerably further than the Economic Convention of March 3rd, 1950, which stipulated only that in trade negotiations "the French Government shall give equal consideration to the interests of the French and Saar economies"; that "in the case of a trade agreement particularly affecting the economic interests of the Saar, a representative of the Saar Government shall participate, in an advisory capacity, in the preparatory work for the negotiation of the said treaty"; that "the French Government shall furnish the Saar Government with the fullest possible information concerning the progress of negotiations and, should developments so require, the Saar Government may express its own views thereon"; and that "the undertakings of the two signatory countries shall be subject to identical regulations in respect of the execution of these agreements; treaties or tariffs and, in particular, the establishment of commodity quotas, the issue of permits and the allocation of foreign currencies".

451. Of particularly great importance is the clause contained in the General Convention to the effect that "the Franco-Saar monetary and customs union, and the economic union resulting therefrom, shall be maintained until monetary and customs integration is achieved in Europe".

B. — French interest in economic union with the Saar

452. Without entering into a controversial discussion of this question, it may be of some interest to quote a French evaluation based on the year 1949¹.

"1. *Contribution to the balance of French foreign trade.*

A. — In 1949 France received from the Saar :

Coal	2,624,000 tons				
Coke	1,123,000 tons	valued at about	15,000	million	frs
Rolled steel	704,000 tons	»	»	21,000	»
Steel products		»	»	8,900	»
				Total :	44,900 million frs

Had the Saar not been included in the French currency area, France would have been obliged to import these products and to pay for them in dollars

B. — The Saar supplied Germany with 2,400,000 tons of coal in exchange for Ruhr coking coal for French industrial needs, which France would have had to pay for in dollars, had it not been able to pay for them in Saar coal.

This amounted to approximately 9,000 million frs

C. — The Saar trade surplus in respect of gross exports amounted to approximately 2,800 million frs
to which must be added approximately 3,300 million frs
(representing about 820,000 tons of coal and 10,000 tons of coke exports).

These three sets of figures together amount to.. 60,000 million frs

D. — The value of products imported by France to meet the needs of Saar consumption may be taken as being approximately 10,000 million frs

This corresponds to an improvement in the balance of French foreign trade, as a result of economic union with the Saar, of approximately 50,000 million frs.²

⁽¹⁾ *Note documentaire du Haut Commissariat de France en Sarre*, 21st January, 1950, quoted in R. Müller, *op. cit.*

⁽²⁾ This would imply that the trade deficit of metropolitan France with foreign countries outside the French Union was about 15 % less than it would have been, had not the Saar been incorporated into the French "monetary area". In absolute figures this deficit amounted to :

in 1938	324 million dollars
1949	871 »
1950	297 »
1951	976 »

It should be noted that in 1938 the Saar was not part of the franc area (O. E. E. C. figures).

2. *Outlets for French trade in the Saar.*

Since no customs barrier exists between France and the Saar, it is not possible to furnish precise statistics. . . .

There is no doubt that the total amount devoted (on the Saar market) to the purchase of consumer goods exceeded 100,000 million francs, of which *at least 80,000 million francs represented products imported from France.*¹

It is well to emphasise that the greater part of these products supplied to the Saar by France could not have been exported to other countries, and would have led to serious agricultural over-production and a slowing down of production in a number of industries. There is no doubt that this applies to the greater part of agricultural products, which represent at least half of the total of the 80,000 million francs mentioned above."

C. — *The significance of territories added to the Saar since 1946*²

453. The boundaries of the Saar Basin as laid down in the Versailles Treaty were reached after hurried negotiations. As the criterion used was the vague one of the Saar mines and their dependent territories, it is probable that the French authorities were justified in 1946 when they claimed that these frontiers had been inaccurately drawn and should have included a much larger area. Indeed, this is confirmed by the experience under the International Régime from 1920—1935³.

454. The area added to the Saar as a result of the three *de facto* adjustments of 18th July, 1946, 6th June, 1947, and 23rd April, 1949, has made the total area of the Saar one-third larger than the area of the Saar Basin as created by the Versailles Treaty. (Area of the Saar Basin in 1919: 1,913 sq. km; area of the Saar, July, 1953: 2,567 sq. km. However, the economic importance of the area added to the Saar is much less than would appear from its size. This is shown by the fact that the population in the area amounts to 65,000 inhabitants, or only about 8 per cent of the total population.⁴

455. Three main reasons have been advanced by the French for the addition of these territories.

- (i) *Many miners lived outside the area of the Saar Basin, and the coal-mining area in the broad sense of the word should be kept intact.*

456. By incorporating the dwelling places of most of the so-called "*Saargänger*" in the Saar, border crossing difficulties were eliminated. No exact information concerning the number of miners affected is available, but the following figures illustrate the tendency. In the period 1919—1929 between 18,000 and 20,000 "*Saargänger*" were employed in the mines; in 1930, 13,000 and in 1933, 7,000. The

(¹) Italics are the author's.

(²) See Section A of this Report, para. 142 and Map, p. 47 above.

(³) "Inhabitants from the border regions of the Palatinate, the Hochwald and Hunsrück, who formerly found employment in the Saar enterprises have lost their jobs owing to the arbitrary demarcation of the boundary lines" (Dr. Walter Cartellieri, *The Land, the People and the Economic Structure of the Saar*, *Chicago Tribune*, Saar Supplement No. 2, June 13th, 1934. "As the Germans see it.")

(⁴) Number of inhabitants in 1946 in the area added to the Saar between 1946 and 1949. *Statistisches Handbuch für das Saarland*, *op. cit.*, p. 13.

total figures of employment for the mines during this period varied between 70,000 (1925) and 50,000 (1933) ¹.

457. After 1947, when, on the whole, full employment prevailed in the Saar, the number of "Saargänger" was reduced to 8,000, out of whom 4,500 were miners. In 1951 only 2,500 out of 70,000, or 3.5 per cent, of the miners were "Saargänger" ².

458. Parallel with this argument is the argument that the coal-mining area is itself inseparable from the industrial concentration which depends upon the mines.

Industry in these areas, however, has not been very important, although the protection afforded by the French customs frontier has provided a certain encouragement.

(ii) *Food supplies in the Saar are notoriously insufficient, and the additional territory includes valuable agricultural land.*

459. This is confirmed by the professional distribution of the population in the area, as appears from the following figures, which show the resulting change in the two "Gemeinde" which were affected by the adjustments, and in the Saar as a whole.

DISTRIBUTION OF WORKING POPULATION OVER MAIN INDUSTRIES
1946

(% of the total of the active population)

Territory	Year	Agriculture	Industry Handicraft	Trade Transport	Services	No- profession
The Saar	1939	7.8	39.8	13.6	12.0	26.8
The Saar	1948	10.2	38.6	13.1	11.6	26.5
Merzig	1939	15.9	37.5	10.2	10.8	25.6
Merzig-Wadern	1948	27.6	30.6	8.4	8.9	24.1
St. Wendel	1939	15.1	27.4	16.7	12.9	28.5
St. Wendel	1948	24.3	26.5	12.7	10.2	26.2

(Source : Saar, *Stat. Handbuch.*)

(¹) Wambaugh, *The Saar Plebiscite*, pp. 13—14. An analysis of the problem from a slightly different angle (since birthplace does not necessarily correspond with domicile) was as follows (figures relate to number of miners in 1925) :

Birthplace	Number	%
Saar	58,035	83.41
Germany	10,920	15.67
France	495	0.71
Rest	143	0.21

(Source : P. Waelbroeck, *Les relations industrielles dans les mines domaniales françaises de la Sarre*, *Revue internationale du travail*, Geneva, June and July, 1930, Vol. XXI, No. 6 and Vol. XXII, No. 1. Quoted by Wambaugh.)

(²) *Statistisches Handbuch für das Saarland*, *op. cit.*, p. 64, *Saarländische Bevölkerungs- und Wirtschaftszahlen*, *op. cit.*, pp. 228 and 237. It is interesting to note in this connection the following Resolution adopted on August 9th-10th, 1952, by the delegates of the SPS organisation in the County of St. Wendel, which includes border communities in the neighbourhood of Kusel :

"The delegates protest with the greatest seriousness against the reintegration of border communities. Realisation of such an intention would deprive the population of these communities of their livelihood, since their places of employment are in the Saar. The delegates expressly note that these communities were backward territories long enough — prior to their inclusion in the Saar — and have had more than enough of the disadvantages of being boundary areas."

460. The percentage of the Saar population employed in agriculture thus increased from 7.8 % to 10.12 % as a result of the annexation, which shows that the area attached is more highly developed as agricultural land than is the Saar as a whole. The main agricultural characteristic of the areas annexed, and particularly of the area to the north-east of St. Wendel, is cattle-raising. No recent figures are available, but the situation has changed much since 1931, when in most parts of the Saar Basin the number of cows per 100 inhabitants did not exceed 25, while the corresponding figure in areas attached after 1946 varied between 25 and 100¹. As a result of the annexations the Saar, which before the war used to import more than half of its milk consumption, to-day only imports 20 per cent.² With this exception it is obvious that *the overall picture of the Saar as mainly dependent on imports for its food has not changed through the attachment of this area.*

461. The question has therefore been asked whether the improvement in the agricultural position of the Saar and the partial solution of the problem of the "Grenzgänger" which has been achieved are sufficient by themselves to warrant extensive territorial adjustments.

(iii) *The strategic importance of "filling up the hole" between the Saar Basin and Luxembourg.*

462. It appears that there is little strategic significance in the fact that the "corridor" of German territory between Luxembourg and the frontier of the Saar Basin has been obliterated.³

D. — General economic development in the Saar within the Franco-Saar Economic Union

463. The close of hostilities found nearly all industrial plant in a badly damaged condition, and the Saar economy not far from complete collapse. Approximately 60 % of medium and heavy industrial installations were out of production. 5 % of all real estate had been destroyed, though the damage was much greater in certain "Kreise" such as Sarrebrücken and Sarrelouis, where it represented 79 % and 67 % respectively⁴. For the full year 1946 the industrial index of the Saar, on a 1936 basis, stood at about 40.

464. To-day, after a few years of rapid development, production figures in the Saar practically equal pre-war levels, and in certain cases even surpass them. Full employment prevails, and the only means of increasing production further is to attract the investment of outside capital. Public finances on the whole are sound.⁵

465. This is not the place to describe the French contribution towards a development which few Saarlanders thought possible in 1945 or 1946. It will be sufficient to mention the measures taken to intensify coal mining and to facilitate the importation of foodstuffs (which made possible increased rations as compared with the rest of the French zone from August, 1946, onwards); the allocation of duty-free Lorraine ores; and the fact that if the Saar had remained in Germany steel mills would have been dismantled and steel production would until recently have been subject to restrictions.

(1) Saar Atlas, *op. cit.* Map 22 a, p. 76.

(2) See para. 394.

(3) It should be noted that the re-drawing of borders in June, 1947 (to exclude the part of Trèves-Campagne and the larger part of Sarrebourg Gemeinde encompassed in 1946), reduced by about two-thirds the length of the common border between the Saar and Luxembourg.

(4) See also Section A of the Report, para. 140 above.

(5) A very important point is that the Saar makes no direct contribution to European defence. Furthermore, "the political autonomy of the Saar, which entailed the independence of its public finances, enables this highly industrialised and densely populated territory, where the tax revenue per head is very considerable, to retain the whole of its proceeds in taxes without having to share them with economically poorer regions..." (G. Merette, *Les finances publiques de la Sarre depuis l'introduction du franc*, article in "Annales de Finances Publiques", Nos. XI—XII, 1952, p. 60.)

466. It is not necessary to assess the motives behind the French policy, but they cannot be expected to have been purely altruistic. "Coal and coke exports to France have been made only at the expense of more rapid recovery in the Saar's steel industry; crop yields have been reduced below pre-war yields, which were already less than the German average, because of enforced exports of phosphate and nitrogen fertilizers to France; currency conversion was made at a rate considered at that time to be unfavourable to the Saar; and pricing arrangements in effect between the Saar and France seem to under-value Saar exports to France while over-valuing Saar imports from France. Thus France has pushed the economic reconstruction of the Saar wherever such action conformed with French interests. Where the Saar economy came into competition with that of France, French interests have been favoured above those of the Saar"¹. *Whether this judgment of French policy is fair or not, it does not alter the basic truth that, had it not been for the French policy, the Saar would definitely have been less well off during the post-war years.*

467. It is true that both France and the Saar were helped by general economic development. "The chief exports of the Saar are products in high demand for European reconstruction — coal, steel, glass and other building materials, certain specialised types of machinery, phosphate fertilisers, etc."². The threat of over-production in steel which appeared for a short time in 1949/1950 — a matter of life and death for the Saar steel industry — was averted in the unprecedented boom brought about by the sharpening of international tension since June, 1950.

468. Since 1949 industrial production has increased by 33 % in the Saar, as compared with 19 % in France and 62 % in W. Germany.³

469. Within the Franco-Saar Economic Union the weaknesses of the French economy have become those of the Saar economy as well. The last few years have seen an inflationary development in France, and therefore in the Saar, whereas there has been no parallel tendency in the German Federal Republic. The argument has gained ground that the Saar people would enjoy a higher standard of living within Germany, where prices and wages are much more stable and the currency's purchasing power has been more or less maintained.⁴ No attempt will be made here to compare the French and German standards of living⁵, but, obviously, a

(¹) United States Department of State, Documents and State Papers, *op. cit.*, p. 437.

(²) Documents and State Papers, *op. cit.*, p. 440.

(³) The Activities of the European Coal and Steel Community, p. 30, General Report of the High Authority, 1953.

(⁴) *cf.* G. Schneider, *op. cit.*, pp. 17—24.

(⁵) In this connection the following analysis by the Saar Statistics Office (*Saarländische Bevölkerungs- und Wirtschaftszahlen, op. cit.*, pp. 306—307) of the development of real wages since 1938 is of some interest:

"In 1951 the purchasing power of wages again approached the pre-war level. This does not, however, apply to all professions nor, as a result of the introduction of general family allowances, does it apply uniformly within the professions to the groups which vary according to family status and number of children.

The purchasing power of earnings in October, 1951, expressed as percentages of the purchasing power of earnings in the year 1938, were as follows:

Industry	Unmarried			Married with 2 children		
	Skilled workers	Auxiliary workers	All workers	Skilled workers	Auxiliary workers	All workers
Metal products industries	87	71	..	100	92	..
Steel mills	..	..	97	..	..	113
Mines	..	..	103	..	..	121
Retail trade	81	87	..	82	95	..
Public service	81	74	..	74	80	..

mere comparison of present net wages and prices in the two countries is not in itself a sufficient basis for deciding within which economy the Saar would be better off. Such factors as the position of the market in each economy should also be taken into account. The effects of the inflationary trend in France on Saar exports and on the capital investment market seem, however, to be of immediate interest, and will therefore be dealt with in the following sections.

E. — Saar-German trade problems

470. It is natural that the main foreign trade problem of the Saar within the Franco-Saar Economic should be the exchange of goods with Germany. Both on the export and the import side this is at present being accentuated by the inflationary development in France.

Exports

471. Some examples have already been given (in connection with coal and steel), of the difficulties experienced by the Saar in exporting to the German market on account of excessive prices, which in their turn are caused *inter alia*, by high wages and generous social security allowances. The case of manufactured steel goods provides another important example. In 1938 the German share in total Saar production was about one third. After the heavy restrictions of German imports in the immediate post-war years Saar exporters could not regain the German market because of high prices, which in 1951 were often as much as 30 per cent above the corresponding German prices. This was due to increases in costs, which are illustrated in the following table relating to the metal manufacturing industries :

DEVELOPMENT OF PRICES OF PRODUCTION FACTORS
1949—1951
(% of 1949 price)

Product	Rise in France	Rise in Germany
Wages	56.0	22.5
Coal	31.0	9.0
Aluminium	29.0	21.0
Zinc	71.0	..
Copper	67.7	..
Tin	66.0	..

(Source : Saarländische Bevölkerungs- und Wirtschaftszahlen.)

472. A further example may be quoted of the difference in prices, though in this case it relates to imports : when certain trade restrictions were lifted in 1951, German-made furniture was allowed into the Saar market, and prices proved to be 40 % lower than for the same goods made in the Saar itself. If Saar consumer goods, which are mainly German in taste, cannot enter the German market, an alternative is not easily found, as, owing to inflation, the capital necessary for technical adaptation is extremely difficult to raise. The problem is particularly acute in the fields of textile and clothing manufacture.

473. If the absorptive capacity of the French market were to diminish, the question of competitive prices on the world market would become an even more

pressing problem for the export-orientated Saar economy. In fact few regions of France have a greater interest in "the stabilisation of the franc" than the non-French territory of the Saar.

474. Different in character is the "complaint, which seems to be uppermost in the Saarlanders' minds... that French tariffs prevent them from using the opportunities offered by trade with southern Germany".¹

Imports.

475. Inflation made itself felt in the import market in the form of restrictions imposed because of insufficient returns. The French difficulties in this respect during 1952 are well known. For the Saar the important fact is that the French balance of payments difficulties tend more and more to affect the trade with the EPU area as much as with the dollar area.² This meant severe cuts in imports, particularly from Germany, which is the Saar's largest foreign market.

476. In connection with these trade difficulties the Government of the Saar, the political parties, and the Saar Chamber of Commerce³ develop the following arguments.

477. (i) There is a greater demand for German goods in the Saar than in France, for the following reasons :

- a) For reasons of taste, fashion and tradition Saar consumers require goods of German origin rather than goods produced in France, which are often unsuitable for the Saar market.⁴ The lack of German goods leads to a diminished turnover in the branches of wholesale trade which are affected, as purchases are made at cheaper prices on the German side of the frontier.
- b) The equipment of the Saar industries is largely of German origin. "Production was hampered as a result of the shortage of spare parts for German machinery and equipment. Investments which had been started could not be completed because of lack of necessary tools and machinery. Thus not only is present production being impeded, but also future possibilities of production, that is to say the competitive capacity of the Saar industry, will suffer".⁵

As a result the Saar receives as much as 20% of the total exports of W. Germany to France.

478. (ii) It should be possible for the French to meet Saar demands in this respect also, because :

- a) The Saar has a favourable balance of trade with Germany ;

⁽¹⁾ *The Times*, April 1, 1953, "The future of the Saar".

⁽²⁾ Deficit 1951: dollar area 299, EPU area 489 million dollars; deficit 1952: dollar area 359, EPU area 608 million dollars.

⁽³⁾ See: *Saarhandel*, 29th November, 1952, the official organ of the *Saarländische Arbeitsgemeinschaft für Handel und Gewerbe*.

⁽⁴⁾ "French shoes simply do not fit German feet", *New York Herald Tribune*, *op. cit.*, p. 1.

⁽⁵⁾ *Mitteilungen der Industrie- und Handelskammer des Saarlandes*, 20th December, 1952, p. 929.

b) By "paying for" French imports of coke from the Ruhr, the Saar contributes towards improving the French balance of payments.

479. (iii) For the above reasons the Saar wishes to have considerable import facilities, in addition to those offered in March, April and before Christmas, 1952,¹ by the French Government, and is asking for reform of the present method of distributing quotas and licences. As a quantitative illustration of the need it is pointed out that the monthly imports from W. Germany (excluding coal and coke) from January to December, 1951 had risen from 9 to 26 million DM and then again fallen to 10 million DM six months later. As mentioned above, the French Government included these trade problems in the reform programme to be discussed with the Saar Government. The wishes of the Saar Government were at least partly complied with in the new Economic Convention of May 20th, 1953.² While fully admitting the validity of the arguments put forward, it must be borne in mind that it is impossible to consider freely the particular wishes of all the various regions within a national economy. The present study is not concerned with weighing the arguments of both sides, but merely with stating them. But the issue to-day illustrates the kind of problems which have arisen many times before in connection with the Saar, and which will continue to crop up as long as it is not possible to abolish customs barriers between the Saar and both of her great neighbours.³

F. Investments

480. Investments have already been dealt with in connection with coal and steel⁴. It remains only to add a few remarks of a general character.

481. Long-term capital has been very scarce in the Saar during the post-war period. Expansion of industry, and not least the steel industry, has to a large extent been financed from internal resources, although heavy taxation has been a limiting factor. Owing to the extensive war damage, State investments have had to be directed to housing projects.⁵

(¹) 600,000, 750,000 and 500,000 dollars respectively.

(²) See paras. 444—448 above.

(³) On the other hand, this may be to oversimplify the issue, for the very structure of the Saar economy changed considerably through its orientation in a new customs area after 1920 and again after 1945. The natural disturbances resulting from a reopening of the German-Saar frontiers at any time, which may very well be compensated by other advantages gained, would undoubtedly be accentuated under prevailing inflationary trends. *cf. The Times*, March 31st, 1953, The future of the Saar: "Another stimulus to autonomous feeling is, of course, supplied by the fact that an increasing number of people, officials or small business people, who could not compete in the German market, have a stake in the present régime...".

(⁴) See paras. 348—350 and 373.

(⁵) The rate of construction appears in the following table, showing the number of housing units:

HOUSING CONSTRUCTION
1948—1951
(units)

	Total	Enlargements, etc.	New constructions	
			Total	Less than 3 rooms
1948	1,337	451	886	360
1949	3,442	1,251	2,191	821
1950	6,672	1,190	5,482	2,776
1951	9,229	1,308	7,921	4,196

(Source: Saar, *Stat. Handbuch*.)

482. Naturally, attention has been drawn to the Marshall Aid funds. There has, however, been a long-standing grievance in the Saar over the share of Marshall Aid received from France, and in December, 1950, as an example, the Landtag of the Saar sent a deputation to the French Government to protest about this matter¹. On a population basis the Saar was entitled to 1/46 of the total French allocation. Claims have been made, which, it seems, are not wholly unfounded, that the proportion should be higher, as the proportion of Saar production in relation to French production is very much higher². On the other hand, French Marshall Aid was also intended to cover the needs of the French Union, and on this basis the Saar would be entitled to about 1/100. The French Government decided to apply the former principle and allocated 1/46, but this was to be paid only after the total amount had been reduced, which included certain special credits for French mines and steel mills, the overseas territories within the French Union, and the stabilisation fund for the franc.

SAAR ALLOCATION OF FRENCH MARSHALL CREDITS

1948—1951

(milliards of francs)

	Total Marshall Credits to France	Reductions for credits to the mines, to overseas territories, etc.	Remaining total	Saar allocation (1/46 of remaining total)
1948	140	67.4	72.6	1.6
1949	263	91.3	171.7	3.8
1950	181	66.0	115.0	2.5
1951	113	29.7	84.3	1.7
1948-1951	697	254.4	442.6	9.6

(Source : *Saarländische Bevölkerungs- und Wirtschaftszahlen op. cit.* p. 998.)

483. As this method of distribution caused some dissatisfaction in the Saar, recommendations were made by a Commission of French and Saar representatives in May, 1952, that "if there had been any underpayment during the years 1948-1951 the money due to the Saar should be given her as a loan during 1952/1953 for modernisation of her economy"³. In this way the total amount of Marshall Aid allotted to the Saar should increase to 22.5 milliard francs⁴.

484. Marshall credits granted to the Saar up to and including 1951 were distributed as follows (the larger part through the State, but 25 % direct to the receivers) :

(¹) A detailed account of the attitude of the Saar Government is given in *Saarländische Bevölkerungs- und Wirtschaftszahlen, 1952, Heft 1/9*, pp. 60 — 61.

(²) "The Saar economy has so far received only 1/90 of the Marshall credits due to it comparing its production capacity with that of France": Herr Mayer (F.D.P.) Bundestag, 30th May, 1951, *Verhandlungen des Deutschen Bundestages*, p. 5691.

(³) *British Survey*, September, 1952.

(⁴) *Saarländische Bevölkerungs- und Wirtschaftszahlen, 1952, Heft 1/2*, p. 61.

DISTRIBUTION OF MARSHALL CREDITS WITHIN THE SAAR
 1948—1951
 (millions of francs)

Public works	4,635
Railways	1,148
Private reconstruction	850
Iron and steel industry ¹⁾	689
Manufacturing industries and hotels	436
Mines ²⁾	300
Agriculture	230
Bridge-building	128
University	100
Saar shipping	75
Total	8,591

⁽¹⁾ The Dillingen steell plant received a further credit of 800 million frs from France and was promised later on another 1,000 million frs.

⁽²⁾ Received further French credits of 12,800 million francs.
 (Source: *Saarländische Bevölkerungs- und Wirtschaftszahlen*).

X. CONCLUSION

A. — *The effect of changing regimes*

485. The political uncertainty about the Saar which has existed since the Versailles Treaty has not been without advantages for the Saar. In order to get the voters on their side both France and Germany courted the Saar on numerous occasions, and, in particular, during the period before the 1935 plebiscite. Thus, the Saar was able to stand the hardships of the great depression comparatively well "enjoying the best of both worlds" as it did. The preferential treatment, as compared with the rest of the French occupation zone, from 1945-1950 has already been mentioned.

486. Nevertheless, the disadvantages greatly outweigh the advantages. "Economic disturbance is the inevitable accompaniment of change of sovereignty in these days of exaggerated nationalism" wrote an English author in 1934, and the contention continues to hold true.¹ The lack of certainty — "the only cloud on the horizon"² has naturally rendered long-term planning abnormally risky, and the prevailing conditions have repelled rather than attracted long-term capital, especially by discouraging saving³.

487. The main disadvantage of the uncertainty is the marginal position which the Saar occupies within either economy, which is further exacerbated by its exposed strategical position. The subordination of the Saar interests to those of the Ruhr before the first world war was considered in connection with the problems of steel industry and transport. The priorities given to Lorraine within the Franco-Saar Economic Union as far as investment in coal and steel are concerned have also been mentioned. Indeed, there are numerous examples not only of "frequent complaints from French industrialists about Saar competition"⁴, but of direct opposition to French policy in the Saar on the part of industry in Alsace-Lorraine. An example is the criticism which was levied against the Franco-German customs agreement of 1935 (for the import of French agricultural products duty-free into the Saar, and industrial produce at reduced rates from the Saar into France). In 1935 a resolution of the Chamber of Commerce of Strasbourg noted that, as far as France was concerned, "the interests of industry and commerce have been deliberately sacrificed for those of agriculture, and regrets that the Ministry of Commerce has never tried to reconcile the different interests in order to arrive at a solution which should distribute the advantages and disadvantages resulting from the change of the political and economic régime of the Saar equally among all parties concerned — industrialists, commercial dealers and agricultural producers"⁵.

Another example is provided by the opposition manifested in 1946 by the Lorraine steel industry to the re-attachment of the Saar to France. On the other hand "from the point of view of the French industrialist, economic attachment is preferable to the Saar becoming a part of the home country, for, should competition between French and Saar products become too keen in future,

(1) Reynolds, *op. cit.* p. 226.

(2) *The New York Herald Tribune*, *op. cit.*

(3) The lack of capital, which is usually mentioned as the main difficulty of the Saar economy between 1920 and 1935, has been exaggerated, according to M. Lambert, *op. cit.* p. 160.

(4) M. Lambert, *op. cit.* p. 178 on conditions between the wars.

(5) Jacques Maupas, *La Sarre et son rattachement à l'Allemagne*, Paris, 1936, pp. 119-120.

it would be much easier to eliminate Saar industry were the territory bound to France by economic ties without political integration".¹ All this goes to add to the sensitiveness of the Saar economy to changes in the state of international markets. This is already extremely great, since the Saar exports nearly two-thirds of its total production and depends on the returns to pay for the population's need of imported foodstuffs during about 300 days of the year.

B. — The dependence of the Saar on both France and Germany

489. In the literature on the Saar problem there are many calculations about the share of the Saar economy in the total Franco-Saar or German-Saar economy. As the Saar in either case remains in what may be called a "minority position", these calculations tend to emphasise French or German claims and needs of the Saar rather than the interests of the Saar economy as such. There seems to be no reason therefore to go deeper into this question than has been done above in comparing national production figures within the E. C. S. C.

490. One point should, however, be stressed, namely the effects of the territorial changes which have occurred in the history of the Saar and adjacent provinces. Whatever régime had been given to the Saar in the Versailles Treaty, the fact remained that Alsace-Lorraine was moved from one side of the customs frontier to the other. Consequently, the Saar's trade relations with both France and Germany would have changed whether it had been made part of French, German or of neither territory. As an example, the increase in French metallurgical capacity of more than 100 % which resulted from the return of Lorraine to France, could not be without serious consequences at the overproduction crisis in the early 'twenties². Again, the Germany to which the Saar was joined in 1935 was a different one from that to which it had belonged before 1919.

491. Similarly, whatever political status the Saar had been given after the second world war, its economic relations with the rest of Germany would have changed. For the Germany of to-day (the frontiers of which will remain uncertain until the peace-treaty), is very different from the Germany of 1937; since she has been deprived of a yearly production (in 1938 figures) of 33 million tons of coal, 6.5 million tons of coke and 22 million tons of crude steel, or, in round figures, of a coal production twice as big, and a steel production almost as big, as that of the Saar to-day. It is at the same time a Germany deprived of its agricultural areas in the east, which means that to feed the Saar it would have to import additional foodstuffs.

492. Figures could be given — and indeed have been given above — to underline the French need for the Saar to-day, both as far as coal resources are concerned and from the more general viewpoint of balance of payments. But it is probably fairer to stress that at present both the French and the German economies badly need that of the Saar. It is certainly even more correct, and perhaps a truism, to state that the Saar, if it does not need both France and Germany, requires not to be artificially severed from either of them as a minimal condition of its economic life.

493. The last contention has been amply demonstrated in the development of Saar trade during the shifting régimes. To the figures which have already been

⁽¹⁾ L. G. Cowan, *op. cit.* p. 228.

⁽²⁾ In 1873 the same problem had presented itself to a Germany recently enriched by the Lorraine steel industry, since the transitional customs arrangement made in the Treaty of Frankfurt proved insufficient (R. Herly, *op. cit.*, pp. 34—35).

given above in the general survey and in the chapters on coal, steel and agriculture, it is necessary to add only the following indications of the main export tendencies ¹.

	France	Germany	Other countries
1913	18	54	28
1932	67	16	17
1951	64	15	21

494. These nine export figures confirm the tendency and are enough to show how political rather than economic considerations have directed and re-directed Saar trade. The one all-important conclusion to be drawn, however, does not concern the trade with the principal partner at each given period but that with "the other country". It is difficult to rank the Saar's trading needs in order of importance. But it may be said that *Saar cannot do without Lorraine ores and, under the existing political situation in Germany, considerable amounts of French foodstuffs, for which reason it needs — and also amply finds — export markets in France and the French Union; but at the same time it needs access to the German market, both on the import and export side, for reasons of common tastes, habits and traditions.*

495. The last-mentioned aspect should not be under-rated. It is true that, as far as machinery is concerned, it would theoretically be possible to instal non-German equipment after a considerable period. But the national taste as far as consumer goods are concerned is not to be changed ². This is the reason why a number of consumer goods industries sprang up under the shelter of the French tariff when the Saar people with their German tastes came to live in the French sphere after Versailles. As the home market was small, these industries (boots, shoes, furniture) found an additional outlet in Alsace-Lorraine. Complaints were heard from the industries affected in Alsace and Lorraine both during that period and to-day. At the same time, Saar traders are dissatisfied at being largely cut off from access to many cheap South German consumer goods industries ³.

Both the special customs arrangements arrived at during the inter-war period and the new Franco-Saar Economic Convention (4) should be regarded as an acknowledgment of this special trading position of the Saar.

C. — Prospects for the Saar in the European Coal and Steel Community

496. "See how France's northern basis extends towards Belgium, how the Belgian coalfields merge into those of Aix and the Ruhr. See how the Campine area is divided between Belgium and the Netherlands, and how the same coal is shared between the Saar and Lorraine, the same iron ore between Lorraine and Luxembourg !

These same resources, intended by nature to be Europe's basic industrial asset, have been the stake for which States have battled one against the other, and the objective of efforts at domination. We are now faced with the task of restoring to this Basin its natural unity and sweeping away the arbitrarily man-made divisions by which its development has been hampered".

(1) Concerning the difficulties of assessing exact figures on Saar trade, see footnote to para. 404.

(2) The fact that French ready-made women's (but not men's) clothes found a certain market in the Saar should not be regarded as proving the opposite (See *Saarländische Bevölkerungs- und Wirtschaftszahlen*, *op. cit.*, p. 270).

(3) See paras. 475—479 above.

(4) See paras. 400—409 and 476—479 above.

With these words M. Monnet, President of the High Authority of the European Coal and Steel Community, interpreted the map and explained the task of the Community at its inauguration in Luxembourg on 10th August, 1952¹. The Saar belongs to the Community and takes part in this common endeavour.²

497. Reference should perhaps be made initially to the discussion concerning the rôle the Saar might play in maintaining equilibrium within the Community. In 1952 Western Germany produced 15.8, France alone 10.9 and the Saar 2.8 million tons of steel. Were the Saar production to be added to that of Germany, the figures respectively for Germany and France would be 18.6 and 10.9 million tons; Saar figures added to France would give a French total of 13.7 and a German one of 15.8 million tons of steel. With regard to coal, Western Germany produced 122 millions of tons in 1952, France 55, and the Saar 16. Were the Saar production to be added to that of Germany, the figures respectively for Germany and France would be 138 and 53 million tons; Saar figures added to France would give a French total of 71 and a German one of 122 million tons of coal. Similarly, according to the distribution by countries of the levy collected by the High Authority from the individual enterprises within the Community the Franco-Saar contribution to the Community can be said to be 31 % of the total resources, and that of Germany 46.5 %. But, if the Saar proportion is included in the German figure, corresponding figures have been estimated to be 24 % and 53 % respectively. Thus the Franco-Saar Economic Union is said to promote the achievement of a balance within the Community and within the Western-European economy as a whole.³

498. This is not the place to decide whether or not this concept of "balance of economic power" is compatible with the concept of a Community, or whether it belongs to an order of ideas rendered obsolete by the decision to treat all the coal and steel resources of the six countries as common resources for the common good. The new development is considered here from the viewpoint of the Saar itself and its heavy industry.

The importance of coal and steel to the Saar.

489. Figures given in previous chapters of this Report illustrate the degree of this importance. Suffice it to repeat that over 36 % of the working population is employed in the mines, and in the iron and steel industry; that with their families the miners constitute nearly one third of the total population; that coal represents nearly one fourth, and iron and steel more than one third of the total industrial turnover in the Saar; and that coal and steel represent nearly two-thirds of total Saar exports.

500. Apart from this statistical evidence the European Coal and Steel Community is likely to have particular significance in the Saar for other reasons. All the members of the Community have renounced a certain portion of their sovereignty. But the Saar, which during the last forty years has seen three changes in its political, and four changes in its economic régime, has renounced nothing, since hitherto the Saar can hardly be said to have possessed any freedom of action whatsoever. Instead the Saar can now envisage a certain continuity in the position of the industries upon which its economic life depends for a period of fifty years, thanks to the existence of the Community. The political fate of the Saar has, of course, not been decided by the Treaty; yet, politically speaking, what implies

(¹) See map p. 157.

(²) The Saar is represented by France in the Special Council of Ministers. In the Common Assembly of the Community three of the eighteen seats allocated by the Treaty to France and the Saar together are occupied by parliamentarians representing the Saar population. Three of the members elected to the Consultative Committee come from "Le Syndicat Sarrois", "La Régie des Mines de la Sarre", and "La Sidérurgie Sarroise", respectively.

(³) e.g. Statement made by M. Grandval, French Ambassador to the Saar, on 20th January, 1953.

certain risks for the Members of the Community, including the Saar, at the same time holds out an undeniable promise for the Saar. For the increased measure of security cannot but improve the conditions of Saar heavy industry together with the whole economic life of the region.

501. It is true that when the idea of a common European market for coal and steel was first mooted, fears were voiced that the Saar might find itself in an unfavourable position. At this time the ghost of over-production has just become visible after the boom of the first reconstruction years which followed the war, and it was pointed out that the basic principle of the Community must be that only the most economic concerns should be allowed to expand, and that at the expense of the less efficient. No definite theoretical judgment can be given as to whether steel production should take place near the source of coal or the source of ore (or at a given point between them, as is the case in the United States). But the Saar does neither, being dependent both on Lorraine ores and on coking coal from the Ruhr. Nor, as has been shown above, is its transport situation very favourable.

502. The situation as it presents itself to-day is entirely different. First, it has been increasingly realised that the pooling of coal and steel resources will not entail such revolutionary consequences as re-shaping the industrial geography of the Community. Even after the elimination of discrimination "transport charges are so great and the market so extensive" that as for the national *mining* industries "each has a market of its own, protected by the costs of transporting coal from other regions into it, by the rise in mining costs elsewhere as other regions increase their output, and by the special characteristics of the coals found in different beds"; and it is believed that the location of the *steel* industries existing in the Schuman Plan area "will not be ... greatly changed by the freer movement of ore and fuel within that region, except as a result of actual investment planning which changes the site of cokeries, mills and markets"¹.

A policy of expansion to be expected.

503. Secondly, and this is of utmost importance, the market situation for coal and steel has been extremely favourable for the establishment of the common market and for the start of the Community as a whole. Since the middle of 1950 the demand for both coal and steel has been steadily increasing and seems likely to continue to do so for a number of years to come², although eventually a slowing down of the rearmament programme may entail certain risks of over-production if proper measures are not taken to encourage steel consumption for peacetime purposes. In its first Report³ the High Authority estimates that "in order to be able to ensure a balance between production and the needs of consumption and export, the Community must be capable in four or five years' time, of producing annually ... an additional 6 to 8 million tons of steel and 35 to 45 million tons of coal"⁴. In the case of coal, the aim of the policy is made

(¹) W. N. Parker, The Schuman Plan — A Preliminary Prediction. *International Organisation*, August, 1952.

(²) There is the very long-term threat of over-production of coal as other basic resources are developed. Italy, for instance, is buying less coal from the Saar as she develops methane and oil. On the other hand, coal will long remain essential for the making of gas and electricity.

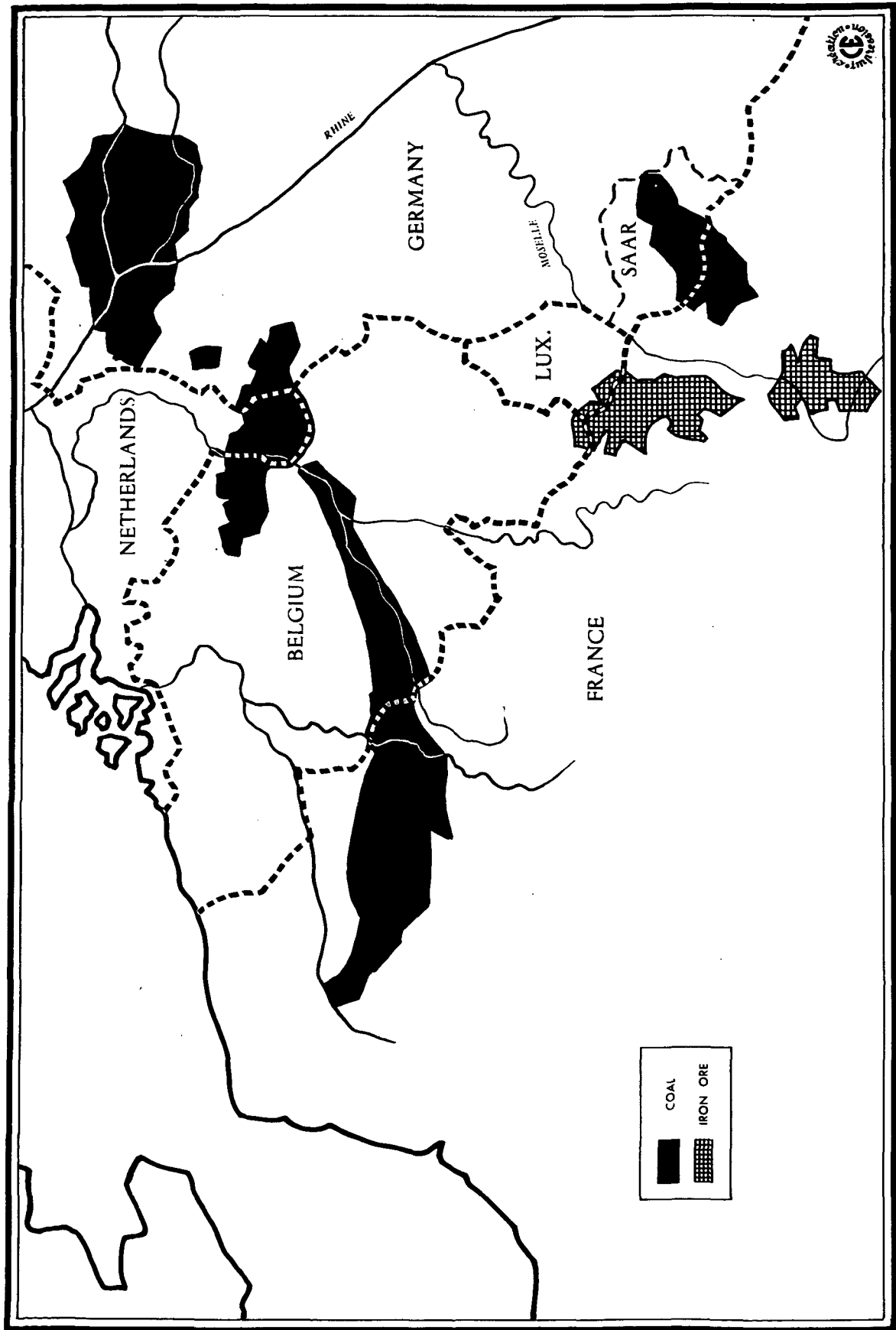
(³) "Report on the Situation of the Community", 10th January, 1953, p. 120.

(⁴) The Committee on Market Development made the following preliminary estimates of the development of demand for coal and steel (consumption within the Community and exports):

	coal (excluding lignite) (million tons)	steel (million tons)
1951	265	39.6
Within 5 years	280	46.6 à 50.0
Within 10 years	295	52.5 à 56.0

(Source : *Recueil Statistique*)

THE SAAR AS PART OF A SINGLE ECONOMIC AREA



quite clear: "The essential problem is whether the production of the Community can satisfy the increased requirements by reducing if not traditional imports from other European countries, at least the abnormal imports from the United States, which are a strain on Europe's dollar balance"¹. Attention is also drawn both in this Report² and in the General Report of the High Authority of April, 1953 to the contribution that the new coking processes for high volatile coal may play in solving the problem of the shortage of coking coal within the Community: a development which is of particular interest to the Saar.

504. The figures quoted from the Report of the High Authority are based on an estimate of a general increase in production which "obviously takes into consideration the policy of expansion defined by the Treaty and the influence that the Community will have on the development of production and the action of Governments"³. This "expansionist" outlook, which is perhaps the main feature of the first Report of the High Authority, has been somewhat criticised. In answering observations made in the Common Assembly on this point, M. Etzel, said that the High Authority can exercise an influence on the economic situation by an appropriate capital and credit policy; by taking due action with regard to public orders, and by giving its assistance in the modernisation of the undertakings. The achievement of this objective will, it is thought, in large measure determine the fate of the Coal and Steel Community⁴.

505. From the viewpoint of the Saar heavy industry this policy of expansion is particularly encouraging. In case of decline in demand or shortage of supply the Treaty provides for joint action. This means that the economic fate of the Saar, whatever course development may take, is linked with that of the other industrial areas of the Community, instead of balancing on the margin of either of the two dominating economies to which it has in turn belonged. In matters of coal and steel the Saar question can be said to find its solution in the existence of a Community functioning according to European and not national principles.

Investments needed.

506. If the overall increase of production is spread over the national industries in proportion to current production, the Saar will have to raise its annual output during the next four or five years by about three million tons of coal and half a million tons of steel. Given the principles on which the Community functions, these figures are only a general indication; it may very well be that on these grounds a greater or a smaller proportion of the overall increase would take place in the Saar. In any case the programme will call for an increase in investments in the Saar as well as in the other industrial areas of the Community. During the last few years self-financing has probably played a larger rôle in the Saar, particularly in the case of steel, than in the Community as a whole, and this may have to continue to be the case.

507. But to the extent that the High Authority will be in a position to contribute to the capital needed, its contribution "will in no case take the form of an acquisition of ownership or participation rights"⁵. For the Saar, where the question of investments and ownership has hitherto been influenced by political considerations of a national character, this point has particular relevance. Nor will investments in the Saar be restricted by overall investment plans for the whole of the

(¹) *Op. cit.*, p. 112.

(²) *Op. cit.*, p. 129.

(³) *cf.* Report on the Situation of the Community.

(⁴) Common Assembly, January Session, Official Report No. 3, p. 16 (French edition).

(⁵) Report on the Situation of the Community, p. 140. *cf.* article 83 of the E. C. S. C. Treaty.

Franco-Saar industry. So far, however, very little is known about the policy which the High Authority will adopt in the field of "orientation of investments"¹.

The question of markets.

508. Stress has been laid deliberately on the general question of increased certainty and the encouragement of expanding production for the coal and steel of the Saar. But it is not sufficient to consider the overall need of the Community without entering into the problem of markets. What redistribution of markets is to be expected within the Community, especially insofar as the Saar is concerned?

509. Obviously, it is not as yet possible to foresee developments clearly. The common market is being opened only progressively for the very reason that rapid changes in the flow of trade must be avoided as much as possible. Nevertheless customs duties, quantitative restrictions on imports and exports, discrimination in transport rates and dual pricing practices as between the countries of the Community disappeared with the establishment of the common market for coal, iron ore and scrap on 10th February and for steel on 1st May, 1953. Increased competition across the frontiers within the Community has doubtless followed.

Changes in transport rates

510. The single measure so far taken within the Community of the greatest significance to the Saar has been the extension of the general transport rate applied to German coal to cover Saar and Lorraine coal as well. At a distance of 500 km. Ruhr coal had previously benefited from 25 % lower transport rates than other foreign coal. This meant that the Saar, although geographically closer to large parts of South Germany than to the Ruhr or to any other European coalfield, had nevertheless found Ruhr coal available at lower rates. With the new rates applied from 23rd February, 1953, the Saar has again "approached" its old South German markets, as is illustrated in the following table:

Difference between the freight of Saar and Ruhr coal¹
(in percentage)

Place of Delivery	Previous Rates	Community Rates
Mannheim	- 14.8	- 23.5
Pforstheim	- 11.2	- 17.6
Konstanz	+ 17.1	+ 5.4
Freiburg	- 11.1	- 13.9
Ulm	+ 16.9	+ 2.6
Augsburg	+ 29.8	+ 9.8
Nürnberg	+ 32.4	+ 12.2
Würzburg	+ 27.1	+ 11.9

⁽¹⁾ — implies that the Saar is lower: + that it is higher.

(Source: *Mitteilungen der Industrie- und Handelskammer des Saarlandes*, 5th March, 1953, p. 150—153, E. Pilz, *Beseitigung der Frachtdiskriminierung für Saarkohle beim Versand nach Süddeutschland.*)

⁽¹⁾ cf., for example, the Report submitted by the Committee for Investments, Financial Questions and Development of Production to the ordinary Session of the Common Assembly, 1953 (Document No. 7) and the subsequent debate within the Common Assembly.

511. Another case of transport discrimination which has been eliminated concerns coal from the Saar, Lorraine, Belgium and the Netherlands, which proceed to Austria *via* the German ports on the Upper Danube.

The question of subsidies to Saar coal sold on the German market.

512. It has been mentioned above¹ that Saar and Lorraine coal was sold on the South German market — in spite of higher prices than those charged for Ruhr coal — only because of the payment of subsidies by the French State. Such subsidies are incompatible with the Treaty and must eventually be abolished. However, “the sudden elimination of these zonal prices would have led to hurried and dangerous diversions of production” and “the High Authority has, therefore, authorised their temporary continuance”².

The situation of the Saar steel industry.

513. Saar steel prices showed a slight tendency to increase after the establishment of the common market for steel on 1st May this year. This was mainly due to increased raw material costs. It is true that the equalisation of German coal prices for home consumption and for exports from 10th February, 1953 meant an improvement of the competitive position of Saar steel mills which use coling coal from the Ruhr. But, on the other hand, scrap prices in the Franco-Saar markets increased by sometimes as much as 15 %—25 %. Most important of all, the iron ore supply situation deteriorated seriously for the Saar as a result of the freeing of the ore market. Thus the Saar, which had previously been in a privileged position as regards Lorraine minette, has now to pay the world price for it, which has meant an increase of nearly 50 %. Furthermore as this ore is in short supply, the Saar has had to resort to the imports of other and even more expensive ores. While underlining these difficulties Mr. Georges Thédrel, President of the Federation of Saar Iron and Steel Industries, and a member of the Consultative Committee of the European Coal and Steel Community, emphasised at a recent meeting with representatives of the iron and steel consumers of the Saar that the iron and steel industry would be ready to use the possibility afforded to Saar enterprises by the High Authority to bring their quotations into line with the lowest prices offered by foreign concerns³.

(¹) See para. 354 above.

(²) “The Activities of the European Community”, *op. cit.*, p. 73. The reasons for this decision of the High Authority — which is vital to the Saar — are developed further on pp. 77-78.

“The mines in the Saar and Lorraine supply a considerable portion of the Southern German market with long-flame coal. From the aspect of sales these coalfields attach great importance to these deliveries, particularly since they enable bituminous coal, which is in great demand, to be replaced by long-flame coal and thus assist in solving the problem of the rational utilisation of coking coal. These sales, however, are only possible if the prices of Saar-Lorraine coal are reduced to the level of the delivered prices which German consumers pay for coal the Ruhr and Aix-la-Chapelle coalfields. Hitherto, the French Government has made up three-quarters of this difference by means of subsidies. The elimination of the subsidy would have made it possible to sell coal from the Saar and from Lorraine in Southern Germany and would, thus, have upset production.

The High Authority consented to the continuance of these subsidies, on condition that their total amount should not exceed the sum required to limit the average loss of revenue by these two coalfields to its present level of 200 French francs per ton, as compared with their current scale prices. Furthermore, any lowering of prices which might arise later from a reduction in the price scale of German producers would not justify an increase in the subsidy, and any additional loss in revenue would fall on these coalfields.

Lastly, any increase in the receipts of these coalfields which will be made possible by changes in transport rates, or in the conditions of competition in Southern Germany, will lead to a reduction of the amount of subsidy paid.”

(³) *Saarbrücker Zeitung*, 18th May, 1953.

514. On the home market, which absorbs as much as a third of the total production of rolled steel, the Saar steel mills will thus meet increased competition. This may also be the case on the South German market, where the Benelux industries are expected to intensify their sales. A considerable hindrance to Saar steel exports to the German market would arise, if the perequation turnover tax on foreign steel, which the Bundestag decided to institute, were to be applied by the Federal Government. In addition to trade with Germany, the Saar steel mills are likely to be able to increase their sales to Southern France and Northern Italy, whereas the new method of quoting prices applicable within the Community will probably make it difficult for them to compete with the plants in Northern France, Belgium and Lorraine in the markets afforded by Paris and Northern and Western France.

Finding natural markets.

515. Thus Saar coal and/or steel will in general continue to compete in adjacent markets with that of the Ruhr and Lorraine. The difference as compared with the past lies in the fact that the Saar will at last be able to find its natural economic markets and to maintain them irrespective of political régime. But in the case of coal such a "complete interpenetration of the markets within the Community" presupposes a progressive modification of the present system where "sales between one country and another have been in the hands of monopoly organisations controlled, in addition, by the States"¹, which will be the more easy to achieve when total supplies within the Community coincide with demand. In this connection it should be underlined that the only public monopolies of coal within the Community are those of France and of the Saar.

The balance of payments.

516. A special aspect of the functioning of the Community is its effect on the balance of payments of the participating countries. When trade in coal and steel becomes freer some countries are likely to spend more, others to gain more, foreign currency on these two items; and there will be no way back for those who experience balance of payment difficulties. Whatever the result will be for the Saar, it will continue to show a positive balance of trade both in this limited field and as a whole; and the value of economic union with the Saar will correspondingly increase².

Continuity and certainty to be gained.

517. The economic recovery of the Saar since the war has been facilitated, within the framework of the Franco-Saar Economic Union, by the high demand for Saar exports. Prospects for a continuation of this trend are good in themselves and are strengthened by the existence of the European Coal and Steel Community. For the Saar the Community means a degree of economic continuity and certainty which it has too often lacked in the past.

⁽¹⁾ "The Activities of the European Community", *op. cit.* p. 46.

⁽²⁾ For the contribution of the Saar to the French balance of payments, *cf.* above para. 452.

