

**PERSPECTIVES FOR A FINAL FRENCH-GERMAN
AGREEMENT ON THE SAAR**

- I. Implementation of London accord on West German rearmament remains conditional on settlement between France and Germany on future control of the Saar.
 - A. Preliminary negotiations had used theme of "Europeanization" ^(SUPRANATIONAL AUTHORITY BUT) under collapse of EDC leaves whole Saar issue up in air.
 - B. Before, during and after London, Mendes-France reiterated long-time French position that Saar settlement absolute prerequisite to approval German rearmament.
 - C. British and Dutch fear that failure to agree on Saar may prove fatal snag for London accord.
 - D. Chancellor Adenauer and Mendes-France to seek final Saar agreement in personal meeting 19 October.
 - E. Mendes-France so far personally unfamiliar with ^{DETAILS OF} problem and single day his schedule allows for meeting seems dangerously short time for settlement thorny issues.
- II. French-German discussions will presumably be based on so called Adenauer-Teitgen agreement of May 1954 which provided:
 - A. "Europeanization" of the Saar territory by irrevocable stages, beginning under Council of Europe and ending under future European Political Community;
 - B. Virtual continuation of present French-Saar economic union, with similar German-Saar relationship developing eventually;

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- C. Compromise formula on permanency to satisfy French desire for "definitive" Saar settlement and still keep alive German hopes for future revision.

III. Present French position on Saar

- A. Though not of great public interest in France, Saar question remains a major parliamentary issue, especially as weapon for rightist groups.

- B. Widespread official assumption that final settlement can still be quickly reached on basis of Adenauer-Teilgen agreement, although latter tacitly assumed French ratification of EDC.

- 1. Mendes-France has told Ambassador Dillon that he accepts this agreement subject to "minor modifications" not yet specified.

- 2. Mendes-France has several times suggested to Dillon that revised Brussels Treaty Organization might provide an alternative "European framework."

- C. Though distrust of Mendes-France's basic intentions still persists among European statesmen, he seems more likely to cause trouble in 19 October meeting through inadvertence than deliberately.

How can Saar be internationalized?

- 1. His personal relationship with Adenauer is unclear. It was highly unsatisfactory at Brussels and reports from London vary.

- 2. He is himself ignorant of background and ramifications of Saar problem, and various key Foreign Ministry officials (e.g. Grandval, Berard, Paredi)

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are known to be hostile to the Adenauer-Teitgen agreement on nationalistic grounds.

3. Hence Mendes-France may well have been misled as to "minor modifications" he can now expect from Adenauer.

IV. German willingness for any Saar settlement greatly diminished since defeat of EDC.

1. In view of the temper of the West German Bundestag, Chancellor Adenauer will have some difficulty in getting the Strasbourg (Teitgen-Adenauer) understanding accepted.
2. Prior to the London Conference he told American officials he was prepared to settle the Saar problem on that basis.
3. The Bundestag debate on 7 October on the London agreements revealed considerable opposition by the Coalition parties, especially the FDP and the BHE, to further concessions to the French in the matter of the Saar.
4. Even if Adenauer feels he can accept a settlement, he would probably want to put the Saar under control of the only supranational agency-- the Coal-Steel Community-- rather than under Brute, as proposed by Mendes.

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SAAR -- BASIC DATA

A. Area: 994 sq. mi.

B. Population: 960,000 -- practically all German.

C. Approximate 1952 Coal and Steel production (in millions

<u>of tons)</u>	<u>SAAR</u>	<u>FRANCE</u>	<u>WEST GERMANY</u>
Coal	16.0	55.0	123.0
Steel	2.8	10.8	15.0

D. The importance of the Saar to France, in maintaining
approximate economic equality with West Germany in/Coal-
Steel Community is shown below.
the 5-nation

(Figures indicate percentage of total CSC resources)

Saar alone: 8%

France alone: 24%

West Germany alone: 45%

FRANCE plus SAAR: 32% (vs 45% WEST GERMANY alone)

FRANCE without SAAR: 24% (vs 53% WEST GERMANY plus SAAR)

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