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INFORMATION DEPARTMENT

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Number Eleven

**THE SAAR PROBLEM**

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T H E S A A R P R O B L E M

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THE SAAR PROBLEM

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NOTE.

Attention is drawn to:-

THE SAAR PLEBISCITE  
(Information Department Paper, No. 14, Price 2/-)

This continues the record since the summer of 1934 of the Nazi campaign and its repercussions, the action taken by the Governing Commission for the maintenance of order, and the League's measures for the holding of the Plebiscite and the settlement of outstanding questions.

## INTRODUCTION

The Saar owes its problem to coal.

Though secret diplomatic documents published since the war have shown that France coveted the Saar as an addition to Alsace Lorraine, she had not included it in her declared war aims, and when at the Peace Conference the French delegates claimed the territory it was primarily on the ground that France needed the Saar coal deposits to compensate for her own war-ruined mines. Her right to this was accepted, and in this way the Saar found its place in the Versailles Peace Treaty.

It being impracticable for France to work coal mines in Germany, a territorial re-arrangement had to be found. The solution adopted was to give France possession of the Saar mines and to establish during a fifteen year period an international regime for the government of the territory, assuring to France unrestricted use of the mines and to the inhabitants the preservation of their existing rights and privileges. At the end of fifteen years - i.e. at the beginning of 1935 - the political fate of the Saar was to come up for final decision at the hands of the League of Nations guided by the result of a local plebiscite. The political arrangement for the Saar was thus from the first an outgrowth of the economic settlement - a point to be borne in mind in viewing the complications with which we are now faced.

What is the nature of the problem? The statement has frequently been made in Germany that no problem exists and this is true in the sense that the Treaty of Versailles professes to solve the problem which France's claims had created. The solution, however, was very far from complete, as was inevitably the case when the final stages

of the settlement were not to go into effect until fifteen years later. Besides the points left undetermined at the time of the Peace Treaty, a new crop of problems has arisen out of developments both in the Saar and in the world outside. These in the mass form so large an issue that the Saar is recognized today as one of the major problems in Europe. If its importance needs illustration; Herr Hitler has more than once stated that it is the one territorial obstacle standing between France and Germany; it was the one territorial issue linked up with Germany's disarmament proposals of December 1933; the conduct of the League in the matter is freely referred to in the German press as likely to influence the future action of the German people as regards the League of Nations.

To come to the separate elements of the problem, we have first the major fact that 1935 is the date set for the plebiscite. Local conditions are such that the League has been obliged to consider the measures necessary "to secure the freedom, secrecy and trustworthiness of the voting", as laid down in the Treaty - in fact, how it is to render possible a properly conducted plebiscite in the present very difficult conditions. For the spread of Hitlerism to the Saar has resulted in a state of tension between Nazis and anti-Nazis on the one hand, and Nazis and the Governing Commission appointed by the League on the other, at times so marked as to threaten a crisis with serious consequences both to the League and to Franco-German relations.

The possibility of a direct solution by agreement between France and Germany has at times been discussed and is favoured by many Saar industrialists to whom it would offer economic advantages. It was even suggested

by Herr Hitler in his Reichstag speech delivered to commemorate the first year of his regime on January 30th, 1934.<sup>1)</sup> But the idea has met with little response in French political circles since it involves driving the thin end of a wedge into the Treaty of Versailles.

In addition to the question of status, there are important economic adjustments to be made when the present regime ends. These, which chiefly concern the ownership of the mines and the export of Saar manufactures, are provided for in the Versailles Treaty to a very limited extent.

Looked at from the British point of view, these problems affect Great Britain firstly as a member of the League and the League Council, with which bodies the vital decisions will rest, and secondly to the extent that the Saar is involved in the problem of world peace.

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1) Herr Hitler took up the same point in the speech which he delivered at the great rally to inaugurate the Saar Campaign held at Ehrenbreitstein on August 26th, 1934. (See The Saar Plebiscite, Information Department Paper, No 14, December, 1934).



## THE TERRITORY AND POPULATION.

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As a political entity "the Saar" (which occupies the basin of the river of that name, a tributary of the Moselle) derives from the Peace Treaty. With an area of some 730 square miles; largely under forest and rich in coal deposits, it supports a population of over 800,000, being thus the most densely inhabited area of this size in Europe. About three quarters of the population are employed in the principal Saar industries - metal, glass and pottery - or in work in the coalfields, which are the most important in Europe after those of the Ruhr and Upper Silesia. The population is Roman Catholic to the extent of 60 - 70% and is almost entirely German speaking.

Part of the territory now comprised in the Saar was annexed, after the Treaty of Westphalia, by Louis XIV, which event is recorded in the name of the town founded by him, Saarlouis. All except this city was lost again sixteen years later under the Peace of Ryswick. During the French Revolution, in 1793, a section of the territory reverted to France, nominally as the result of local plebiscites. The French tenure was on this occasion as brief as on the former, for by the first Treaty of Paris in 1814 the French were forced to surrender everything except Saarlouis, Saarbrücken and a strip along the right bank of the Saar. After Waterloo the final Treaty deprived France of the whole. The 1814 frontier has a contemporary interest as having been made the basis of French claims at the 1919 Peace Conference. Prior to the Great War the Saar was partly comprised in Prussia, partly in Bavaria. Its mines, which were State mines, were an important element in German industrial development, the

coal having "coking" qualities which, in combination with the product of other German mines, made it of great value to the German metal industries.

INDUSTRIAL CONDITIONS AND ECONOMIC RELATIONS.

The existence of coal deposits, estimated by Germany at 6,200 to 6,300 million tons and yielding an annual output of  $10\frac{1}{2}$  to  $13\frac{1}{2}$  million tons, has made the Saar Territory an important centre of iron and steel manufacture as well as a coal exporter. In addition to the thirty-one coal mines employing some 44,760 workers (April 1934) there are five iron and steel plants comprising eighteen blast furnaces and employing over 23,000 men (June 1933), and two other steel plants. The size of the industry is, therefore, considerable, especially as the above figures reflect to some degree the effects of industrial depression, there being still 35,000 unemployed in June 1933, though this figure represents a reduction of nearly 10,000 below the worst - recorded in March 1933(1). There are also a number of other manufacturing enterprises making glass, pottery, textiles, chemicals and paper.

The greater part of the industrial output consists of semi-finished iron and steel products, especially structural steel, iron bars and sheets, wire, steel tubes and cast-iron pipes, and the chief market for these products appears to have been found in South Germany. In all, exports to Germany have reached as high a figure as 230 million marks (1927), though they declined to 90 millions in 1932, and up to 1930 provided a considerable surplus over imports from that country. Imports from Germany, however, have shown a steady tendency to increase and in 1930 and 1931 the terms of trade changed in favour of Germany, before favouring the Saar once again in 1932 and 1933.

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(1) The corresponding figures for 1934 are March, 37,289,  
June, 31,960.

## Control and Organisation of the Iron and Steel Industry.

Precise information on the amount of capital invested in different works and the extent to which the control is predominantly French or German is hard to come by. During the early period, when Germany was suffering her economic collapse, many interests were bought out by the French, but the tendency has undoubtedly been for control to pass out of French hands again during the last eight years, and particularly in the latter part of this period.

Of the five principal works DILLINGEN is still under French control to the extent of 70%.<sup>1)</sup> BURBACH is owned by the A.R.B.E.D., the biggest Luxemburger combine, in which Belgian and French interests participate. The French holding, though large, does not bring with it a controlling majority. VCELKINGEN is completely in German ownership. The French interest in NEUNKIRCHEN was bought out as early as 1926 and is now negligible. All these works are large mixed iron and steel concerns. The HALBERGER HUTTE, (blast furnaces and iron-foundries) is under 70% French control, held by the Société des Hauts Fourneaux et Fonderies de Pont-à-Mousson.

Of the smaller units the ACIERIES ET USINES A TUBES DE LA SARRE with works at Saarbrücken and Bous had a French majority. The HOMBURGER EISENWERK formerly contained a 40% French interest which had been sold out by 1926. ST. INGBERT belongs to a Luxemburger combine - the H.A.D.I.R., in which there is also a controlling French interest. DINGLER KARCHER had apparently no French holding in 1929. All these works are of secondary importance and consist mainly of blast furnaces, tube manufactures, foundries or wire mills.

General opinion holds that the efficiency of the Saar valley steel plants is below that of the industry in neighbouring countries. Up till a few years ago, this was

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1) Held by the Acieries de la Marine et d'Homecourt. Some 30-40% of this holding was reported to be on the market during the autumn of 1934.

undoubtedly true, but owing to recent developments, this contention cannot be held proved at the present time. New rolling mills have been laid down at BURBACH, and improvements seem to have been made at VOELKINGEN also. At NEUMKIRCHEN, the entire plant has been modernised, improved and expanded since 1926, and a thorough renovation of plant has taken place at HOMBURG. Within the last two years, one of the French cartels broke down under the competition of Saar produced basic pig-iron. The general assumption that costs in the Saar are higher than elsewhere in the neighbouring countries similarly cannot be definitely upheld in the light of these developments, though they are probably above the levels ruling in France.

#### Economic Relations.

The iron and steel industry depends largely on outside sources for its supply of raw materials. Iron ore is obtained mostly from Lorraine and is, therefore, of French origin, but imports from Luxembourg have become appreciable. Pig-iron is also imported for steel manufacture from South Germany. In addition, and in spite of the abundance of local coal deposits, Westphalian coke has figured as a considerable import for use in blast furnaces. Local coal has not in the past yielded coke of the best quality and has only been strong enough for use in blast furnaces when mixed with equal quantities of coke of the highest grade, which has, in consequence, had to be imported from Germany. This factor, however, has been of greatly diminishing importance in view of technical improvements in the Saar coking plants and the application of discoveries whereby coke of superior quality can be produced from mixtures of local coals. The Saar gas industry is, in fact, entirely modern and organized on the orthodox German methods.

On balance the Saar is an exporting rather than an importing country, though it is dependent on outside sources for its food supply.

French adherents argue that it forms an economic unit with Alsace Lorraine and that its natural market lies to the west. They contend that its prosperity dates from union with Alsace Lorraine after 1871, and maintain that it can never hope to compete in Germany with the Ruhr industries which enjoy direct carry in Rhine barges.

On the other hand it is evident from what trade statistics are available<sup>(1)</sup> that South Germany is a very important market particularly for certain products of the Saar's iron and steel industry. A satisfactory judgment on this issue has been made more difficult by changes in the tariff position.

Since 1925 the Saar has enjoyed the advantage of complete Customs union with France. Till then trade with Germany was, by the terms of the Peace Treaty, free of duties on either side, but since 1925 a Customs barrier has existed between them. A Franco-German agreement in 1928 again facilitated Saar trade with Germany. While maintaining the duty-free entry of most Saar exports to Germany, subject to quota restrictions, it reduced materially the tariff on many German goods entering the Saar, abolished duty on a few and left some others free from quota restrictions. German comment was to the effect that the French concessions in return for Germany's free admission to Saar goods amounted to very little.

The Saar iron and steel industry is an independent member of the International Steel Cartel with an allotted quota of about 5%. The Cartel protects home markets

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(1) See page 10.

and divides the total available export trade among national producers with minimum price agreements for each class of product. The division of the national quota among individual producers has given rise to the formation of national organisations to eliminate internal competition within the allotted limits.

In order to prevent violent competition and maintain prices, an arrangement has been made whereby a proportion of the Saar's output of iron and steel is sold on to the French market through the French selling organisations. The figure that this involves is said to be in the neighbourhood of half-a-million tons in normal years. A similar arrangement exists with Germany whereby a part of the Saar production is sold into South Germany through the German organizations. As a whole, trade in iron and steel to Germany has taken the following course as far as can be ascertained:-

	Production of Rolling Mill Products	Imports of same into Germany  (Thousand tons)	Imports of iron and steel into Germany (including iron and iron manufactures).
1925	1147.9	388.5	?
1926	1262.8	504.6	?
1927	1401.5	873.1	?
1928	1545.1	693.0	839.0
1929	1602.7	?	747.0
1930	1413.4	?	544.9
1931	1113.8	?	366.8

From these figures it would appear that from 40% - 60% of the Saar iron and steel production were during these seven years taken by Germany. A calculation covering 1930-33

gives the following proportions: iron and steel exports to Germany, 40%; to France 40%; to other countries - chiefly Switzerland and Italy - 20%. (1)

Owing to the cessation of publication of separate figures for trade with France since the inauguration of the Customs Union, little further statistical information is available of the state of trade with that country. Figures of the volume of Railway Goods Traffic, however, give some indication of the importance of the French market<sup>(2)</sup>. At first sight they would appear to decide that the Territory's export trade to France is some four times greater than that to Germany and that import trade from France is some six times as great as import trade from Germany. It will be noted, however, on further examination that four-fifths of the trade with France is customarily represented by the bulky coal exports, against less than one-half in respect of Germany. In the case of iron and steel, the exports to Germany were seemingly greater up to the middle of 1930: since that date the French share has possibly increased.

Possible repercussions on the iron and steel industry of a change of régime.

- Factors to be taken into consideration in this connection are the present dependence on Lorraine ores, and the

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(1)	<u>1933</u>	<u>Coal</u>	<u>%</u>	<u>Steel</u>
	<u>Saar Production of</u>			
Consumed in the Saar		36		9
Exported to France		45		30
Exported to Germany		9.5		36
Exported to other countries (including French colonies for steel but not for coal)		9.5		25

(2) See Statistical Appendix.



present sales arrangements with France and Germany. In the event of the reunion of the Saar with Germany, which would be likely to involve the removal of the Customs barrier from the German to the French frontier of the territory, new conditions would almost certainly arise. Such a course would certainly lead to the absorption of the Saar's share of the International Steel Cartel export quota in the German allotment; in fact, at the time when the present quota arrangements were being made, the Germans are believed to have claimed the inclusion of the Saar quota in their own. In these circumstances it is possible that the French Comptoirs would continue to accept a proportion of the Saar production for distribution in France after payment of customs duty. But France is rapidly developing her own metallurgical industries in Lorraine on the basis of new supplies of local coal and it is possible, in the first place, that the output of Lorraine ores will be needed to an increasing extent within the country, and, in the second place, that the development of a native industry will reduce the opportunities of producers importing from what would be German territory, particularly if French interests there continue to be liquidated. In the German market, on the other hand, there is no reason to suppose that reunion would be likely to diminish the sales of Saar steel goods, which already compete there with success; it is even conceivable that it might lead to an extension of opportunities, especially as it would almost certainly involve the disappearance of the present Customs frontier. Provided, therefore, that political prejudices do not baulk an advantageous working agreement between industrialists - or worse, provoke a boycott or tariff war - it would seem that the prospects of the Saar iron and steel industry, as far as concerns its

markets and its sources of supply, should not be immediately embarrassed by a return to a German régime. The position of the coal mines is rather different and will be examined later.

But these speculations would not be complete without consideration of the possibilities of a position in which the present régime is extended for a further period of years. This would by no means automatically ensure the stabilization of the present economic status quo. Germany's inducement to continue the special facilities now accorded, both for the import of Saar products and for their sale through German selling associations, might well be rapidly diminished and the withdrawal of these facilities in their natural markets could be disastrous to the Saar iron and steel plants as it is doubtful whether such a loss could be fully compensated by increased sales to France.

In other respects, outside the immediate field of the major industries, maintenance of the existing régime might have consequences which have to be considered, and will be dealt with later.

## III

THE COAL MINES

The transfer of the Saar mines from Germany to France and the arrangements made for their subsequent exploitation are dealt with in a later part of this memorandum, describing the settlement under the Peace Treaty. As, however, the question of the future of the mines after the 1935 plebiscite links up closely with the consideration of present economic conditions, it appears well to introduce it at this point.

By Article 36 of the Peace Treaty Annex, "if the League of Nations decides in favour of the union of the whole or part of the territory of the Saar Basin with Germany, France's rights of ownership in the mines ... will be repurchased by Germany." The price in gold, was then to be fixed by a body of experts and if Germany failed to pay within one year, the Reparations Commission might make payment if necessary by liquidating the mines or part thereof. The Reparations Commission having gone out of existence, this last provision would be no longer practical.

It has been unofficially put forward on the German side that France having already fully recouped herself from the Saar coalfields for the loss of her pre-war mines, Germany would be entitled to have the mines restored to her without any payment. It is suggested in this connection, that France's claims could be fairly met by favourable treatment in regard to future deliveries of Saar coal to France in accordance with Article 37 of the Annex, which stipulates, in the event of the mines returning to Germany, that "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. An equitable arrangement regarding amounts of coal, duration of contract and prices will be fixed in due time by the Council of the League of Nations" - a serious additional duty for the League if it were ever called upon to perform it.

The position of the mines is not quite on the same footing as that of the iron and steel industry, since they have remained in the ownership of the French government and the problem of actual transfer does not, therefore, contain the same difficulties as the removal of industrial plants in private French ownership, whether partial or complete, to German territory. The question, however, arises of whether France would consent to relinquish the mines now owned by her without the stipulated payment and what Germany's attitude would be in the face of a French refusal to renounce right to payment. This constitutes one of the major points in the "Saar Problem".

Other than the internal demand of its own industries, the chief outlet of Saar coal production has been to France and in particular to Alsace and Lorraine for marriage with the local supplies of iron ore. With a change of regime the prospects of an amicable arrangement for the continuance of such coal exports as France should need, would be no worse than the prospects of coming to a similar settlement for the marketing of steel products as already envisaged.

But the development of the Lorraine steel industry on the basis of local coal supplies, already mentioned above, must be taken into account, and it is conceivable that it would be accelerated in order to free Lorraine from dependence on what would be, under a changed regime,

foreign coal imports. The coalfields of Northern France, in addition, have since 1925 been fully reopened and are at the moment working well under capacity: they might well be capable of supplanting the Saar as a source of supply for Southern France. In this event, the Saar would tend to lose its principal export market and would find it difficult to develop new areas of consumption in Germany in face of the competition of the better grade Westphalian mines which are also more favourably situated. The persistence of the French demand for Saar coal is, therefore, rather questionable which makes the prospects of the coal mines under the German rule less happy than those of the steel industry. Allegations have been made that the Saar mines have been exploited in order to yield the best results in a short period and regardless of their future efficiency. The temptation to do so would be obvious if the French regarded their reliance on Saar coal as being ephemeral. That this is so is by no means certain and in any event the charge is impossible of verification without extensive and impartial investigations by skilled mining engineers.

The position of the minor industries under a union with Germany is more problematical, but many of them are concerned with producing goods for domestic or French consumption under the shelter of the tariff wall and the removal of this wall from the German to the French boundary of the Territory might conceivably be the cause of some embarrassment.

A continuance of the present regime, as a possible alternative to transfer to Germany, raises other considerations affecting workpeople and general inhabitants apart from those with reference to the prosperity of the

industrial plants. Much of the propaganda emanating from the anti-Nazi and anti-German side lays stress upon the fifteen years of prosperity that the Saar has enjoyed by her connections with France and the unfavourable effects which would result from a change of regime. It is widely held that the present standard of living of the inhabitants of the Saar is above the levels of their German neighbours and is accompanied by lower taxation; it might be endangered by the inclusion of the territory within the German Customs frontier. This would be still more the case if the competitive power of the Saar industries is further reduced by their comparative lack of efficiency in organization, alongside German standards, which may or may not persist. The German answer is that the relative prosperity of the Saar during recent years has been partly, at least, due to calculated assistance and self-denial on the part of Germany, which attitude could not be expected to endure if the inhabitants renounced their opportunity of German reunion. It is indeed true that, with regard to taxation, the Saar population has enjoyed relief accruing from various special payments<sup>1)</sup> by Germany such as war pensions and social insurance, no less than from the trade facilities recounted earlier.

How far, on the one hand, incorporation in Germany would tend to impoverish the inhabitants, disorganise trade, disturb the industrial relations of the neighbouring districts, or embarrass France economically, and how serious, on the other, the economic effects would be of

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1) Though it may be contended that these are merely payments based on a perfectly natural and legitimate repartition of acquired rights.

the alternative solutions, must obviously greatly depend upon the degree of adjustment which the French and German governments, and, still more perhaps, French and German industrialists, will succeed in effecting.

## IV

PRESENT STATUS OF THE SAAR  
AND GOVERNMENTAL REGIME

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The existing sovereignty of the Saar is not specifically established by the Treaty of Versailles, by which its present status was determined. Several provisions in the Treaty bear, however, on the point, namely Article 49, whereby "Germany renounces in favour of the League of Nations, in the capacity of trustee, the government of the Territory"; Paragraph 19 of the "Saar" Annex, which endues the Governing Commission with "all the powers of government hitherto belonging to the German Empire, Prussia or Bavaria", and Article 35 which provides that if the League of Nations decides in favour of the maintenance of the present regime, "Germany hereby agrees to make such renunciation of her sovereignty in favour of the League of Nations as the latter shall deem necessary". Although the last quoted stipulation may be read as a clear indication that German sovereignty was not in principle abolished but merely placed in suspense, the question of the Saar's international status has been the subject of much debate by various writers.

The governmental regime established in 1920 and now in force consists of a "Governing Commission", representing the League of Nations, to whom the government of the territory was entrusted by the Versailles Treaty, and which, as mentioned above, exercises all the previous German powers of government. The Commission consists of five members, one a French citizen, one a native inhabitant (appointed, not elected), and three "neutral"



members.<sup>1)</sup> Decisions are taken by a majority vote. Executive power lies with the chairman and is exercised through local officials and police. The inhabitants retained their original nationality, the former laws and courts of justice as well as their local assemblies, religious liberties, schools and language - under control of the Governing Commission - and are exempt from military service. Popular representation is limited to two elected bodies, a Consultative Council and a Technical Committee. The interpretation of the provisions of the Treaty of Versailles dealing with the administration of the Saar rests with the Governing Commission itself.

Fifteen years after the coming into force of the Versailles Treaty - the date has now been fixed for January 13th, 1935 - a plebiscite is due to be held in the Saar when a vote will be taken on the three following alternatives:

- a) Maintenance of the present regime,
- b) Union with France,
- c) Union with Germany,

the voters consisting of all persons above twenty years of age who were resident in the territory at the date of the signing of the Treaty, June 28th, 1919.

The Treaty stipulations dealing with the status and government as well as those concerned with other aspects of the settlement will be referred to in greater detail in the succeeding section.

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1) The chairmanship of the Governing Commission has been occupied in turn by a Frenchman, a Canadian and two Englishmen, M. Rault, 1920-26, Mr. Stephens 1926-27, Sir Ernest Wilton 1927-32 and the present chairman Mr. Geoffrey Knox from 1932. The other members of the Commission as appointed until March 31st, 1935 are MM. Morize (French), d'Ehrnrooth (Finnish), Kossmann (Saarlander), and Zoricic (Yugoslav).

1919 SETTLEMENT AND HISTORY OF THE  
SAAR QUESTION SINCE THAT DATE

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France's claims to the Saar Basin during the Peace negotiations were based, as already mentioned, partly on reparation for the destruction of her northern coal fields, but partly also on an appeal to historical grounds, namely, to the right of having returned to her the frontier laid down in the Paris Treaty of 1814. French annexation was opposed by the British and American Peace delegates. After some talk of a possible French mandate, a compromise was found in the surrender to France of control of the Saar mines as compensation for the damage to her own, the political control of the area being placed temporarily in the hands of the League. "Self-determination" was assured in the form of a deferred plebiscite to take place at the end of fifteen years, the period estimated as required to enable France to recover her mining losses. The Governing Commission as "trustee" was to serve the double purpose of assuring the rights and welfare of the population during the interim period and of guaranteeing to France the freedom to work the mines. A protest from Germany against the detachment of part of her territory merely for the sake of satisfying France's demands for coal were answered by the Allies with a statement that this particular form of reparation had been deliberately chosen "because it was felt that the destruction of the mines in the North of France was an act of such a nature that a definite and exemplary retribution should be exacted; this object would not be obtained by the mere supply of a specified or unspecified amount of coal".

The Governing Commission, set up in February 1920, was instructed by the League that it should have "no occupations or interests except the welfare of the people of the territory of the Saar Basin". The Commission, supported by a French garrison (finally withdrawn in 1930), established a form of government in accordance with the Treaty, including a Civil and Criminal Court of Appeal with cosmopolitan judges.

The question of the mines, which lay at the bottom of this new international creation, was dealt with in the following manner: All coal mines became for fifteen years the complete and absolute property of the French State together with the accessories and subsidiaries of the mines, machinery, plant, schools, hospitals, etc. France was given a free hand in the matter of transport improvements, whether by rail or water, and the right of establishing schools for the miners where French would be the language of instruction. Subject to the requirements of local consumption, France had complete liberty in the disposal of the mining products and was also permitted to introduce French labour to assist in the working of the mines. The mines were to be worked under the regime of the former German laws and the rights of the workmen thereunder maintained. The value of the ceded mines was to be determined by the Reparation Commission and credited to Germany on the reparations account.<sup>1)</sup> The position of the mines at the end

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1) Germany was actually credited on the capital account but no deduction in respect of ceded mines was made from reparation payments. In any case all accounts involving credits to Germany were declared obsolete and closed by the Agreement with Germany concluded at the Second Hague Conference on January 20th, 1930. (Article III, paragraph A.).

of the fifteen years in the event of the Saar reverting to Germany, has already been dealt with in an earlier section. To repeat the salient points, ownership was to be repurchased by Germany at a price to be fixed by a board of experts. If Germany should not have effected the payment at the end of a year, provision was made for the Reparation Commission to make the payment to France, if necessary, by means of liquidating the mines. After the return of the mines to Germany, France would have the right to purchase Saar coal to the amounts, prices, etc., to be fixed by the Council of the League of Nations. Finally the Treaty contemplated, and allowed for, the possibility of a previous arrangement between France and Germany modifying the provisions for re-purchase in 1935 - a step which Germany has on several occasions pressed for, combined with proposals for an immediate settlement of the Saar's political status.

The new regime set up by the Versailles Treaty went into operation without any serious difficulties over fundamental points, but, in spite of this, conditions were far from satisfactory. During the first three years the Commission was under the chairmanship of a Frenchman, M. Rault, who was accused by the Germans in the Saar of adopting a definitely French attitude in his administration. The composition indeed of the original Commission, with the exception of the Canadian member, was predominantly pro-French, containing, as it did, a Belgian member who systematically voted with the Chairman and a Danish member whose home was at Chantilly.

It was not till 1922 that a Landesrat was actually set up as a purely advisory body under close control by the Governing Commission. Friction between the population

and the Governing Commission developed to a serious point over the question of the functions of this Council, over the continued presence of the French "garrison" troops and, particularly, over the question of the French schools; there were allegations of improper French propoganda and pressure by the mines officials upon the miners to send their children to these schools. The French military occupation of the Ruhr exacerbated the state of unrest in the Saar and this in turn led to the promulgation by the Governing Commission of stringent emergency decrees greatly restricting the liberty of the individual. These decrees and the complaints of the Saar population (who are entitled under the Treaty to have their grievances transmitted through the Governing Commission to the League of Nations) attracted attention in this country and the British representatives at the League brought the situation before the League Council. At their instance a League enquiry was held in 1923. The upshot was that the League Council expressed itself satisfied with the work of the Governing Commission during three-and-a-half very difficult years and promised its full support for the future; at the same time a resolution was passed that the Governing Commission was to consider itself collectively responsible to the League Council and was reminded that it was high time to think of organizing a local gendarmerie - the first step in preparing the way for a withdrawal of "garrison" troops.

During the next two years the situation was somewhat easier, though protests came from the German Government on various occasions concerning the French troops, the schools and the control regulations on goods imported from Germany. The conclusion of the Treaty of Locarno brought

an end to such protests as well as a reduction of the petitions presented by the inhabitants. This middle period also saw a tendency to economic re-adjustment in the form of the repurchase by Germans of some of the Saar industries which the original German owners had been forced to sell in the early years of German economic chaos.

In 1927 the League rediscussed, and at last came to a decision concerning, the presence of Allied troops in the Saar. It was resolved that, besides the local gendarmerie, there should be an international police force to guard the railways, taking the place of the French troops along the lines. For three years longer Allied troops remained in the Saar but were finally withdrawn in December 1930. Since that date the Governing Commission has depended on the locally enlisted gendarmerie but has reserved the right under its interpretation of the terms of the Peace Treaty, in case of emergency to call upon "troops stationed outside the Saar territory".<sup>1)</sup>

In 1929 a talk between Dr. Stresemann and M. Briand led to discussions for a mutual arrangement to anticipate the settlement of the Saar question by plebiscite in 1935. The negotiations, on the German side at least, were based on the assumption that a popular vote for re-union with Germany in 1935 was a foregone conclusion and that it only remained for the two countries to settle the conditions concerning the mines, the disposal of the coal and other economic matters which would

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1) See minutes of 38th Session of the League Council March 18th, 1926. This question again came into prominence in the autumn of 1934. (See The Saar Plebiscite, Information Department Paper, No. 14, December 1934).

arise when the territory reverted to German sovereignty. These negotiations broke down simultaneously with the change of government in France when M. Tardieu succeeded M. Briand, but the prospects of an agreement were at no time very bright. In the first place the French were inclined to insist that there should be no interference with the Treaty arrangement for a plebiscite to decide the political future of the Saar and that there was only room to negotiate beforehand economic arrangements concerning the mines and industries; in the second place, with regard to these arrangements, the French requirements for joint Franco-German control was unacceptable to the Germans, and the socialist element in Germany added another obstacle to agreement by insistence that after the settlement there should be no private ownership of mines.

Since 1929 there are no outstanding events to record, beyond a passing reference to the Saar problem by Herr von Papen in the course of the negotiations at the Lausanne Conference in June-July, 1932, up to the time of the developments which form the subject of the succeeding section of this memorandum.

## VI.

POLITICAL CONDITIONS IN THE SAAR TODAY.

The Saar population is, as has been said, overwhelmingly German. Prior to the development of the present political régime in Germany it was widely assumed that the inhabitants would vote themselves into reunion with Germany in 1935, and there was little reason to fear that the process would not effect itself smoothly and free from international complications. The situation has undergone a considerable change since the rise of the Hitler régime.

External Influences.

The Hitler Government showed from the start a close interest in the Saar which began to figure prominently in the speeches of German politicians from the Chancellor downwards. In an interview given to the correspondent of the Matin on November 16th, 1933, Herr Hitler stated that nothing stood between Germany and France once the question of the Saar ("which is German soil") had been solved; in the same month came the creation of the post of Reich Commissioner for the Saar, to which Herr von Papen, the Vice Chancellor, was appointed. The German note on Disarmament delivered in December to the French Ambassador in Berlin contained a request that the Saar territory should be returned to Germany immediately without waiting for the 1935 plebiscite, and that the ownership of the coal mines should be the subject of further negotiations. Again in his speech in the Reichstag on January 30th, 1934, the German Chancellor declared that, after the settlement of the Saar problem, the German Government "would be prepared and determined not only to accept the letter but also the spirit of the Locarno Pact"; he went on to advocate a solution by direct agreement, as avoiding the ill-feeling which preparation for the



plebiscite might involve. As the next step, in order to fulfil the treaty and afford the population an opportunity of expressing their view, a referendum on the proposed solution should take place. There could be no doubt, he added, that the result would be confirmation by an overwhelming majority.

Speeches since that date have been rather less conciliatory; for instance, considerable feeling was aroused in France and among the Saar authorities by that of Dr. Goebbels delivered to a German and Saar audience at Zweibrücken, just in the Palatinate, on May 6th, 1934; this was broadcast from all German stations. Germany, he said, would admit of no compromise on the matter of return of the Saar; meantime, no heed should be paid to the anti-Nazi activities of the Centre and Socialist parties or of the Governing Commission. He concentrated his main emphasis upon economic arguments; Germany was preparing a magnificent welcome and offering new markets for Saar coal and agriculture.

Responsible Frenchmen have on occasions laid themselves open to accusations of similar pressure. For instance, M. Fribourg, vice-chairman of the Foreign Affairs committee of the Chamber, speaking at Sathony, also on May 6th, 1934, threatened the dropping of an economic safety curtain ("un rideau de fer économique") the moment a political barrier was formed between the Saar and France.

Constant pressure and propaganda of this kind is carried on in the press of both sides, both within and outside the Territory, but it has justly been pointed out that since neither side reads the other's newspapers, the preaching is all to the converted.

Popular feeling in the Saar.

Within the territory itself it is difficult to estimate what proportion of the population are now convinced Nazis. Prior to 1933, the predominating parties taking part in the Saar Municipal elections were the Catholic Centre, Communists and Social Democrats, in proportions, at the 1932 elections, of approximately 60%, 30% and 10%. Since then, however, the situation has changed on lines somewhat parallel to internal developments in Germany.

The Centre Party followed the example of the corresponding German party and in July, 1933, suspended its activities, most of its members joining the Deutsche Front, (the new German party which absorbed two other local political organisations, namely the "German National" and "Saar Peoples" parties and in which the Nazi Party was subsequently incorporated). The Social Democrats and other "leftists", reinforced by an influx of political refugees from Germany<sup>(1)</sup>, continued to hold their ground, and though locally unable to counter effectively the invasion of National Socialism, organised an anti-Nazi propaganda which has been particularly active outside the territory.

Foreign observers have hazarded the guess that not more than about 60% of the population are so sympathetic to the Nazi régime as to desire to incorporate themselves in a Nazi state, basing the estimate on the convictions of the Socialist minority and on the uncertainty of the Catholic vote, which may be swayed by the state of Herr Hitler's

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(1) It should be remembered that these refugees, unless resident in the Territory on June 28th, 1919, have no vote.

relations with the Vatican. The Deutsche Front figures published at the Zweibrücken meeting already quoted show a membership of 455,174, estimated to include 93% of the persons entitled to vote in the plebiscite. As against this, the attendance at the anti-Nazi Socialist Freedom Front meeting held at Sulzbach on August 26th, 1934, was reported in the press to number between 60,000 and 80,000. Herr Max Braun, the Socialist leader, estimated that the opposition Front represented 30% of the voters.

#### The Governing Commission and the Nazis.

The introduction of National-Socialism in the Saar led to acute friction with the Governing Commission. The situation is described graphically in the Commission's report to the League covering the third quarter of 1933, which recounts that:

"the National Socialist Party has been making every effort to gain control of the whole public life of the Saar. It has endeavoured to attain its object of setting up a de facto government side by side with the legal government .... the National Socialist party is carrying on more or less unscrupulous activities in all spheres of public and private life in the Saar, waging an incessant campaign of threats, denunciations and disguised boycotting against inhabitants of the territory suspected of not sharing its political ideas .... the result has been an increase in acts of violence and terrorism."

The report refers to derelictions of duty on the part of the Commission's own officials and concludes that unless the state of affairs is remedied without delay, the Commission

will find itself in an intolerable position. The description of local conditions is carried further in a series of letters from the Chairman to the Secretary-General of the League of Nations.

The first, dated January 5th, made special reference to the existence of Nazi military organisations (the formation or drilling of such groups was forbidden by a Reich order of March 15th, 1934); another dealt with the house to house canvassing for signatures to a declaration of membership of the Deutsche Front, the wording of which amounted to an undertaking to vote for Germany.

("I join the Deutsche Front, which is set up, as its name indicates, to bring together all classes of the Saar population in a common effort for the return of the Saar territory to the Reich").

Upon a protest from the Commission this wording was altered to a less binding formula and an undertaking given to exercise no pressure upon signatories. Mr. Knox's third letter, published on May 8th, referred to the unrest caused among Saar civil servants by the enlistment of certain German émigrés in the police force, and to the German press and wireless campaign on the subject; it expressed the fear that, in view of intensive Nazi activities, some coup de main might be directed against the Governing Commission. In the German press, where Mr. Knox has acquired a reputation of a pro-French bias, this last statement was much criticised, on the ground that he might have added that responsible German and Saar politicians had given definite assurances that there should in no circumstances be anything of the kind.

The question of the employment of émigrés in the Saar police aroused direct protest from Berlin. This Mr. Knox countered, in a letter to Baron von Neurath dated March 28th, 1934, with the argument that the Governing Commission could

not view as refugees former German officials with clean records who sought employment in the Saar of their own free will. He pointed out that Saar police officials guilty of breaches of discipline, and even of common-law offences, had found official employment in Germany.

The most stringent criticism of Nazi activities, described as the "Hitler Terror", is given in the petitions addressed to the League by the Saar Social Democrats and Trades Unions, complaining of boycotting, advertisement of rewards for the capture of anti-Nazis and, in general, of the letting loose of "a wave of hatred, of brutal persecution." Speeches by Herren Hitler, Göring and by Nazi leaders in the Saar are given as examples of German official threats<sup>(1)</sup> against the opponents of Nazism in the Saar, and the League is petitioned to take immediate measures to fulfil the provisions of the Versailles Treaty for ensuring the freedom of voting when the plebiscite takes place.

From March 1933 onwards, the Governing Commission saw themselves forced to take a large number of emergency measures to cope with the situation described in their reports. The decrees and regulations issued with this purpose include inter alia a stringent arms act; a ban on political meetings of the extreme parties; a ban on the wearing of party uniforms and badges; the suspension of newspapers; provision against foreign agitators, intimidation

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(1) On February 11th, 1934, Herr Hess, Deputy for the Leader of the National Socialist Party, is reported in the Times to have issued a warning that membership of the National Socialist Party of the Reich will be refused to all "who, during the plebiscite, have discussed party or philosophical questions in a form which could in any way endanger the solidarity of Germans".

or boycott; an attempt to assure the neutrality of officials and respect of official secrets and prohibition of the affiliation of any political association with similar organisations abroad.

The Nazi reply to the charges and criticisms levelled against them is set out in various speeches, petitions to the League, and locally issued pamphlets. The greater part of these consist of denials of allegations concerning Nazi excesses, and of counter-allegations firstly of suppression and partiality on the part of the Governing Commission, and secondly of terrorism by Communists, Socialists, "Autonomists" and "Separatists".

The Governing Commission is faced with a fundamental difficulty in dealing with the Nazis owing to the essential difference between their respective conceptions of the Saar inhabitants' position vis-à-vis Germany. To the Nazi party, the Saar is essentially German, and those of its inhabitants who oppose the will of the German State are therefore traitors to their country. The Governing Commission is bound to take a different view. This difference is clearly illustrated in the Deutsche Front petition to the League of December 28th, 1933. After challenging the Commission's latest report and asking for a League enquiry into their suppressive measures, the petition states that National Socialism is not, as it was being treated, a mere party movement. Practically the whole population, it declares, supports the present political structure of the Reich. "In place of Germans with national feelings," it declares, "he (Mr. Knox) desires to put a neutral creature of a kind which exists in no country in the world.

The German claim can be crudely expressed in the syllogism "The Saar is German; Germany is Nazi; therefore, the Saar is Nazi." Short of admitting this, there remains, it would seem, little common ground for discussion.

It has been pointed out that anything amounting to "terrorising" the local inhabitants is logically to the disadvantage of those who wish to see a solid German vote cast at the plebiscite, and that the authorities in Germany should, therefore, be expected to exert a moderating influence. Possibly this reasoning prompted the formation of the Deutsche Front - in which all parties, including the Nazis are merged - which pledges its members to respect its discipline and undertakes to maintain "absolute order and discipline within its ranks." (1)

Meanwhile plans for the plebiscite are claiming immediate attention and now remain to be dealt with.

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(1) Statement issued by the Deutsche Front leaders at Geneva, May 15th, 1934.

## VII

THE 1935 PLEBISCITE AND  
LEAGUE RESPONSIBILITY

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The terms of the plebiscite have been mentioned on page 20. To the conditions already stated must be added the not unimportant provision that voting will take place "by communes or districts". Following the plebiscite and "taking into account the wishes of the inhabitants as expressed by the voting", the League of Nations is charged with deciding on the sovereignty under which the territory is, in whole or part, to be placed. The Treaty allows for the territory being divided if the voting shows a territorial division of opinion.

The possibility of a postponement by the League of the date of the plebiscite on account of the disturbed conditions prevailing was at one time mooted. The suggestion figured prominently in the propaganda of the active anti-Nazi section of the Saar population on the ground that present Nazi activities make hopeless the prospect of a fair vote, free from intimidation. The legality of a postponement under the terms of the Versailles Treaty has been examined by Sir John Fischer Williams in an article published in the "Manchester Guardian" (issue of February 9th, 1934) where the conclusion is reached that no warrant for more than "a reasonable latitude for adjusting the date of the plebiscite - whether, for example, the vote is to be on a Sunday" can be read into the Treaty provision that the "date of the voting shall be fixed by the Council of the League of Nations in such a way as to ensure the freedom, secrecy and trustworthiness of the voting". Apart from the legal aspect,



there is an argument against postponement in the view that, if the inhabitants are, as commonly supposed, certain to cast a majority vote for Germany, the sooner the plebiscite is held and done with, the better for all interests.<sup>1)</sup>

It is important to remember that the duty of making all necessary arrangements for the plebiscite rests with the League Council and not with the Governing Commission (which is in German eyes regarded as not wholly impartial). This involved decisions as to 1) the lists of qualified voters, 2) the meeting of the costs involved, 3) the method of voting, 4) the more serious problem of "securing the freedom, secrecy and trustworthiness of the voting".

Each of the decisions entailed its problems. As regards the first, not only was the Treaty most specific (the voters are "all persons without distinction of sex, more than twenty years old at the date of voting, resident in the territory at the date of the signature of the present Treaty"), but as long ago as 1922 the League appointed a special Commissioner - M. Bouzon (Swiss) - to identify and file the necessary records and census lists. These documents were left, under League protection, in various offices in the Saar, and provided the basis for work by the subsequently appointed Plebiscite Commission.<sup>2)</sup> It only remained, therefore, to decide where the line was to be drawn between residents and visitors among the persons present in the Saar on the given date - June 28th,

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1) This was settled by the League Council Decisions of June 4th, 1934. (See page 40 below).

2) For an account of this work see The Saar Plebiscite, Information Department Paper, No. 14, December 1934.

1919. Meantime an active drive for the registration of persons resident in Germany and entitled to vote was launched from Reich headquarters on May 4th, 1934.

As regards the method of voting, the choice at the poll was - for the first time in plebiscite history - threefold. Hence the question arose as to whether, in order to reflect the wishes of the population, it would be necessary to apply some such scheme as the "alternative" or "transferable" vote, or to have recourse to a second ballot.<sup>1)</sup>

The cost of the plebiscite is estimated at 5 million Swiss francs; the decision as to who was to foot the bill was also a matter for the Council.<sup>1)</sup>

The difficulties of fulfilling the Council's fourth task, the safeguarding of the population from pressure in order to ensure their "full and free right to choose" are easily deduced from a reading of the previous section of this memorandum. As early as July 1933 the Governing Commission found itself obliged to warn the Saar population by a public proclamation that "persons must not be threatened, insulted, called traitor or proscribed on account of their holding opposite views about the plebiscite", but the subsequent communications from Mr. Knox to the Secretary-General, already quoted, appeared to indicate that proclamations were an inadequate prevention of propaganda. Hence the possibility of calling in some neutral or international force to support the authority of the Governing Commission and plebiscite officials was more and more freely discussed. It was legally within the rights of either Council or Commission,<sup>2)</sup> but presented

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1) This was settled by the League Council decision of June 4th, 1934. See page 41 below.

2) See above page 25.

certain practical difficulties: for instance, which nationalities were to be excluded on grounds of partiality? How far could such police be counted on to exercise a tranquillising influence on a population politically but not racially divided? The reaction of the two countries immediately concerned had also to be reckoned with; the German press objected to the suggestion on the ground that it must provoke untold ill-feeling.

The League Council began its consideration of these various responsibilities at its session of January 1934 and appointed a Committee of Three to study the plebiscite question, the members being Baron Aloisi (Italy), M. de Madariaga (Spain) and M. Cantilo (Argentine). In the course of four sessions held between January and May 1934 it consulted a committee of jurists on the interpretation of certain clauses of the treaty, and a committee of experts on plebiscites<sup>1)</sup> on existing precedents in plebiscite legislation regarding voting lists, propaganda, and the impartiality of officials; it also heard the Governing Commission on the question of maintaining order before and during the plebiscite.

As a result of these deliberations, the Committee of Three adopted at its meeting of May 15th, 1934 a report advocating:-

Retention of the functions of government during the plebiscite by the Governing Commission, assisted:

a) For purposes of organising and supervising the plebiscite, by a Plebiscite Commission of Three, plus

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1) Professor Bindo Galli (Judge of the Geneva Court of Appeal); M. Nypels (Judge of the Supreme Court of Justice of the Netherlands); Miss Sarah Wambaugh (U.S. citizen and author of A Monograph on Plebiscites and Plebiscites since the World War).

certain officials "chosen from outside the Saar Territory and not belonging to either of the interested countries".

b) For dealing with disputes as to the right to vote and infractions of plebiscite regulations, by a Plebiscite Tribunal consisting of a president, two members and two deputy members, all neutral.

The report also defined the requirements regarding residence which determine the right to vote; it stated that proposals as to the method of voting, determination of the results, and the regulation of propaganda were to follow.

The result of the plebiscite is, by the terms of Chapter III of the Treaty Annex, not automatically conclusive as regards the settlement of status. "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" (Paragraph 35). Opinion seemed fairly unanimous that this did not imply that the League was free to make a decision contrary to the voting, but that it might, however, be obliged to use its discretion in the event of the communes or districts returning different votes in regard to the three alternatives, particularly if the voting were so divided geographically as to make a corresponding division of territory an impractical solution.

It seemed from the outset clear that whatsoever the result of the plebiscite an important point for which the League would have a certain responsibility was the provision for the protection of any minorities which its decision might create.

## VIII

THE FRANCO-GERMAN AGREEMENT  
REGARDING THE SAAR  
JUNE 1934.

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The League Council Committee of Three followed up its interim report of May 15th with a final report submitted on June 2nd and considered by the Council on June 4th, 1934.

Meantime, realising the paramount importance<sup>1)</sup> of securing the collaboration of France and Germany the Chairman communicated directly with the two Governments, and after several days of discussion with their representatives at Geneva succeeded in negotiating an agreement between them.

Its report of June 2nd was thus able to include the text of identic notes from the two Governments, each undertaking:-

- 1) To abstain from pressure or reprisals and "to prevent or punish any action by its nationals contrary to these undertakings."
- 2) To establish and maintain for "a transitional period of one year as from the establishment of the final regime" a Supreme Plebiscite Tribunal, with powers to hear complaints regarding "pressure, prosecution, reprisals or discrimination" and to order "any appropriate reparation."
- 3) To bring any difference arising with any member of the Council on the subject of these undertakings before the Permanent Court at the Hague.

The Council by its resolution of June 4th noted these undertakings, guaranteed to see to their fulfilment and fixed Sunday, January 13th, 1935 as the date of the plebiscite; it reserved the right to consider how to extend the undertakings to non-voters.

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1) Especially since Germany was no longer sending representatives to League meetings; she had replied with a categorical refusal to the special invitation to take part in the discussion on the Saar at the January meeting of the Council.

It also adopted the further resolutions contained in the report of its Committee of Three covering the organisation and carrying out of the plebiscite.

These provided for:-

- 1) The establishment of a Plebiscite Commission of Three, appointed by the Council, to enter on its duties on July 1, 1934, and to be responsible for preparing all arrangements for the plebiscite.

The draft regulations governing this Commission's work are annexed to the report and provide for the establishment of the voting lists and arrangements for the actual ballot. The important points are:-

- a) That the results of the voting shall be counted by small areas (Burgomeistereien or unions of communes, any commune not forming part of such an union to constitute a voting area in itself), and
  - b) That each voter shall place a cross against one only of the three solutions.
- 2) The establishment of a Plebiscite Tribunal, with jurisdiction over all disputes and offences connected with the plebiscite, to consist of a president, a vice president and six judges, all neutral, appointed by the President of the League Council.
  - 3) Increase of the police and gendarmerie forces "as far as possible from among the inhabitants of the territory", without prejudice to the right of the Governing Commission to recruit additional police outside the territory, should it consider this necessary.
  - 4) The following allocation of expenditure, to be paid in advance to the Secretary-General of the League of Nations:-

France:	5 million French francs. (last instalment due October 1, 1934)
Germany:	5 million French francs. (last instalment due October 1, 1934)
Governing Commission:	1 million French francs. (before July 1, 1934)

One of two points in this agreement were significant; the division into small voting areas appeared to increase the possibility of anti-German verdicts in some communes, and placed a heavy responsibility on the League Council if islands of territory declared in favour of a non-German solution. Viewed in the light of earlier Nazi speeches

about the return to the Fatherland, the German acquiescence in the maintenance of the Plebiscite Tribunal for a year after the vote appeared to be a concession.

It should be noted that the agreement was not supplemented by any economic arrangement and that the question of the mines was therefore left unsettled.<sup>1)</sup>

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1) The subsequent discussions on this point are dealt with in The Saar Plebiscite, Information Department Paper, No. 14, December 1934.

### CONCLUSION

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The crucial points emerging from an analysis of the "Saar Problem" - the points, that is, which threaten most to create complications of an international character - may be reckoned as three: (i) the difficulties facing the League in preparing for, and holding, the plebiscite and pronouncing thereafter upon the future of the Saar bearing in mind the interests of all its inhabitants, (ii) the possibilities of trouble inherent in the present situation in the Saar, where tension between parties and between the Nazi element and the Government may at any time threaten a crisis, (iii) the difficulties of the economic and financial settlement between France and Germany - especially in respect to the mines - which must be effected in the event of the Saar returning to Germany. In the first two of these the League, is directly and immediately concerned, while the third is capable, as explained in a previous section, of involving the League Council in a delicate decision concerning the quota of coal to be exported to France and the price to be paid to Germany.



STATISTICAL APPENDIX.I. IRON, STEEL AND COAL PRODUCTION.

Iron, Steel and Coal production has been as follows in recent years:- (metric tons)

	<u>Pig-Iron</u>	<u>Steel</u> ( <u>Ingots &amp; Castings</u> )	<u>Coal</u>
1913	1,370,980	2,077,825	13,216,209
1920	652,008	709,247	9,410,432
1926	1,674,880	1,736,762	13,680,874
1931	1,515,429	1,539,216	11,367,011
1932	1,349,493	1,463,332	10,438,049
1933	1,591,725	1,676,272	10,561,172

II. FOREIGN TRADE.a) With Germany. (Thousand RM).

	<u>Live</u> <u>Animals.</u>	<u>Food &amp;</u> <u>Drink.</u>	<u>Raw materials</u> <u>&amp; semi-manu-</u> <u>factures.</u>	<u>Manufac-</u> <u>tured</u> <u>goods.</u>	<u>Total.</u>
1924 (	(Imp. 137	6,239	6,984	56,674	70,035
(Exp.	130	1,766	17,834	59,946	79,676
1926 (	(Imp. 83	6,286	26,940	20,927	54,236
(Exp.	822	1,700	23,121	84,782	138,648
1928 (	(Imp. 2,643	11,918	32,020	68,900	115,481
(Exp.	515	785	63,057	156,807	229,164
1930 (	(Imp. 22,296	15,870	33,325	97,781	169,272
(Exp.	52	2,124	51,865	109,734	163,775
1931 (	(Imp. 14,306	16,479	23,121	84,782	138,648
(Exp.	51	1,771	38,654	71,817	112,293
1932 (	(Imp. 7,868	11,704	15,065	54,440	89,077
(Exp.	10	1,640	35,920	51,630	89,200
1933 (	(Imp. 5,304	9,286	16,791	52,120	83,568
(Exp.	17	320	41,223	74,509	116,072

b) With France (Thousand Francs)

	<u>Imports</u>	<u>Exports.</u>
1922	365,832	654,071
1923	972,969	712,019
1924	1,370,577	1,046,712

Since January 10th, 1925, the Saar has been included in the French Customs Union and no statistics of trade with France are available. Some information on this point is afforded by the returns of the volume of goods traffic on the Saar railways.

III (i) GOODS TRAFFIC ENTERING AND LEAVING THE SAAR BY RAIL.

(Fiscal years 1927 - April 1930)  
(excluding Live Animals)

A. OUTWARD.

- Tons -

<u>To</u>	<u>Calendar Year 1927</u>	<u>January March 1928</u>	<u>Fiscal Year 1928-9</u>	<u>Fiscal Year 1929-30</u>
<u>FRANCE</u>				
Chemicals	58,345	11,157	41,656	59,192
Iron and Steel				
Ingots	140,707	52,186	253,925	306,431
Plates & Sheets	88,240	21,525	86,022	147,710
Pipes & Tubes	52,743	21,435	46,506	62,530
Stone	45,941	9,013	39,344	54,479
Hard Coal	3,954,791	928,404	3,891,191	4,433,288
Coke	137,840	46,189	116,559	139,776
<u>All goods</u>	<u>4,811,620</u>	<u>1,178,386</u>	<u>4,875,519</u>	<u>5,758,128</u>
<u>GERMANY</u>				
Chemicals	160,856	55,435	182,694	201,154
Wrought Iron	49,132	14,461	67,853	50,455
Iron & Steel	452,736	115,763	365,102	384,268
Plates & Sheets	104,563	21,066	74,935	74,146
Rails	96,476	21,446	98,707	112,305
Sleepers	109,894	12,167	69,667	85,682
Pipes & Tubes	86,882	24,858	91,693	95,712
Wire	67,006	18,292	53,313	21,391
Stone	78,448	9,696	45,658	42,140
Hard Coal	1,207,871	277,095	1,201,169	1,139,276
<u>All goods</u>	<u>2,681,932</u>	<u>640,241</u>	<u>2,528,201</u>	<u>2,513,311</u>

<u>To</u>	Calender Year 1927	January March 1928	Fiscal Year 1928-9	Fiscal Year 1929-30
<u>BELGIUM</u>				
Wrought Iron	34,470	10,594	38,394	29,437
Iron & Steel	98,936	29,509	103,996	133,802
Plates & Sheets	36,683	6,212	48,669	29,391
Pipes & Tubes	27,728	5,447	16,659	27,054
Hard Coal	215,021	78,540	243,449	200,804
All goods	464,947	143,307	520,899	454,402
<u>LUXEMBOURG</u>				
All goods	121,636	26,231	70,753	75,349
<u>ITALY</u>				
All goods	503,591	174,099	446,571	322,321
<u>SWITZERLAND</u>				
All goods	549,236	138,139	459,608	549,738
<u>ALL COUNTRIES</u>				
All goods	9,182,736	2,339,354	9,066,268	9,754,911

B. INWARD.

- Tons -

<u>From</u>	Calender Year	January March 1928	Fiscal Year 1928-9	Fiscal Year 1929-30
<u>FRANCE</u>				
Cement	44,392	9,577	39,551	44,267
Raw Iron	140,569	31,836	109,390	127,699
Wrought Iron	60,642	22,830	99,822	94,455
Crude Iron & Steel	140,100	37,601	123,141	109,734
Iron Ore	4,525,599	1,142,454	4,774,804	5,222,253
Miscellaneous Ores	63,030	15,029	200,243	526,117
Building Timber	56,464	4,053	19,624	27,611
Pit Wood	78,108	17,567	46,670	947
Lime & Gypsum	154,391	31,454	110,912	110,586
Flour	52,865	11,617	45,635	40,868
Hard Coal	125,457	46,092	279,540	266,447
All goods	5,964,965	1,540,965	6,503,099	7,222,206

<u>From</u>	<u>Calendar Year</u>	<u>January March 1928</u>	<u>Fiscal Year 1928-9</u>	<u>Fiscal Year 1929-30</u>
<u>GERMANY</u>				
Iron Ore	80,854	16,660	27,043	883
Gravel & Sand	59,130	13,167	74,082	73,046
China Clay	97,735	23,715	112,697	130,193
Miscellaneous Ores	53,333	10,281	90,191	88,371
Pit Wood	189,220	33,549	144,871	185,349
Hard Coal	181,481	37,159	205,534	237,802
Coke	52,806	15,244	39,945	108,276
<u>All goods</u>	<u>1,111,491</u>	<u>243,063</u>	<u>1,210,101</u>	<u>1,338,687</u>
<u>BELGIUM</u>				
Raw Iron	12,969	4,958	10,098	26,424
Iron Ore	25,032	6,582	36,942	178
<u>All goods</u>	<u>111,750</u>	<u>26,297</u>	<u>256,148</u>	<u>157,362</u>
<u>LUXEMBOURG</u>				
<u>All goods</u>	<u>39,609</u>	<u>12,016</u>	<u>34,208</u>	<u>29,051</u>
<u>ITALY</u>				
<u>All goods</u>	<u>778</u>	<u>127</u>	<u>509</u>	<u>343</u>
<u>SWITZERLAND</u>				
<u>All goods</u>	<u>11,341</u>	<u>894</u>	<u>8,114</u>	<u>5,692</u>
<u>NETHERLANDS</u>				
Hard Coal	20,063	5,712	34,231	54,185
<u>All goods</u>	<u>35,459</u>	<u>7,875</u>	<u>51,077</u>	<u>84,979</u>
<u>ALL COUNTRIES</u>				
<u>All goods</u>	<u>7,305,026</u>	<u>1,839,177</u>	<u>7,991,529</u>	<u>8,857,685</u>

III (ii) GOODS TRAFFIC ENTERING AND LEAVING THE SAAR BY RAIL.

(Calendar Years 1927 - 32)

A. OUTWARD.

	<u>Tons</u>					
<u>To</u>	<u>1927</u>	<u>1928</u>	<u>1929</u>	<u>1930</u>	<u>1931</u>	<u>1932</u>
France	4,811,620	4,872,719	5,561,960	5,474,320	4,761,468	4,910,032
Germany	2,681,932	2,652,173	2,466,917	2,094,260	169,701	1,472,182
Other Countries	1,689,184	1,792,440	1,564,605	1,440,107	1,214,896	1,122,669

B. INWARD.

<u>From</u>	<u>1927</u>	<u>1928</u>	<u>1929</u>	<u>1930</u>	<u>1931</u>	<u>1932</u>
France	5,864,965	6,348,216	7,203,786	6,213,575	5,109,483	4,214,32
Germany	1,111,491	1,177,518	1,353,021	1,224,815	949,090	630,07
Other Countries	228,660	232,224	325,788	232,091	159,678	115,52

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# TREATY OF VERSAILLES

## SECTION IV

### SAAR BASIN

#### Article 45.

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 cedes to France in full and absolute possession, with exclusive rights of exploitation, unencumbered and free from all debts and charges of any kind, the coal-mines situated in the Saar Basin as defined in Article 48.

#### Article 46.

In order to assure the rights and welfare of the population and to guarantee to France complete freedom in working the mines, Germany agrees to the provisions of Chapters I and II of the Annex hereto.

#### Article 47.

In order to make in due time permanent provision for the government of the Saar Basin in accordance with the wishes of the populations, France and Germany agree to the provisions of Chapter III of the Annex hereto.

#### Article 48.

This Article deals with the boundaries of the territory of the Saar Basin.

#### Article 49.

Germany renounces in favour of the League of Nations, in the capacity of trustee, the government of the territory defined above.

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.

#### Article 50.

The stipulations under which the session of the mines in the Saar Basin shall be carried out, together with the measures intended to guarantee the rights and the well-being of the inhabitants and the government of the territory, as well as the conditions in accordance with which the plebiscite hereinbefore provided for is to be made, are laid down in the Annex hereto. This Annex shall be considered as an integral part of the present Treaty, and Germany declares her adherence to it.

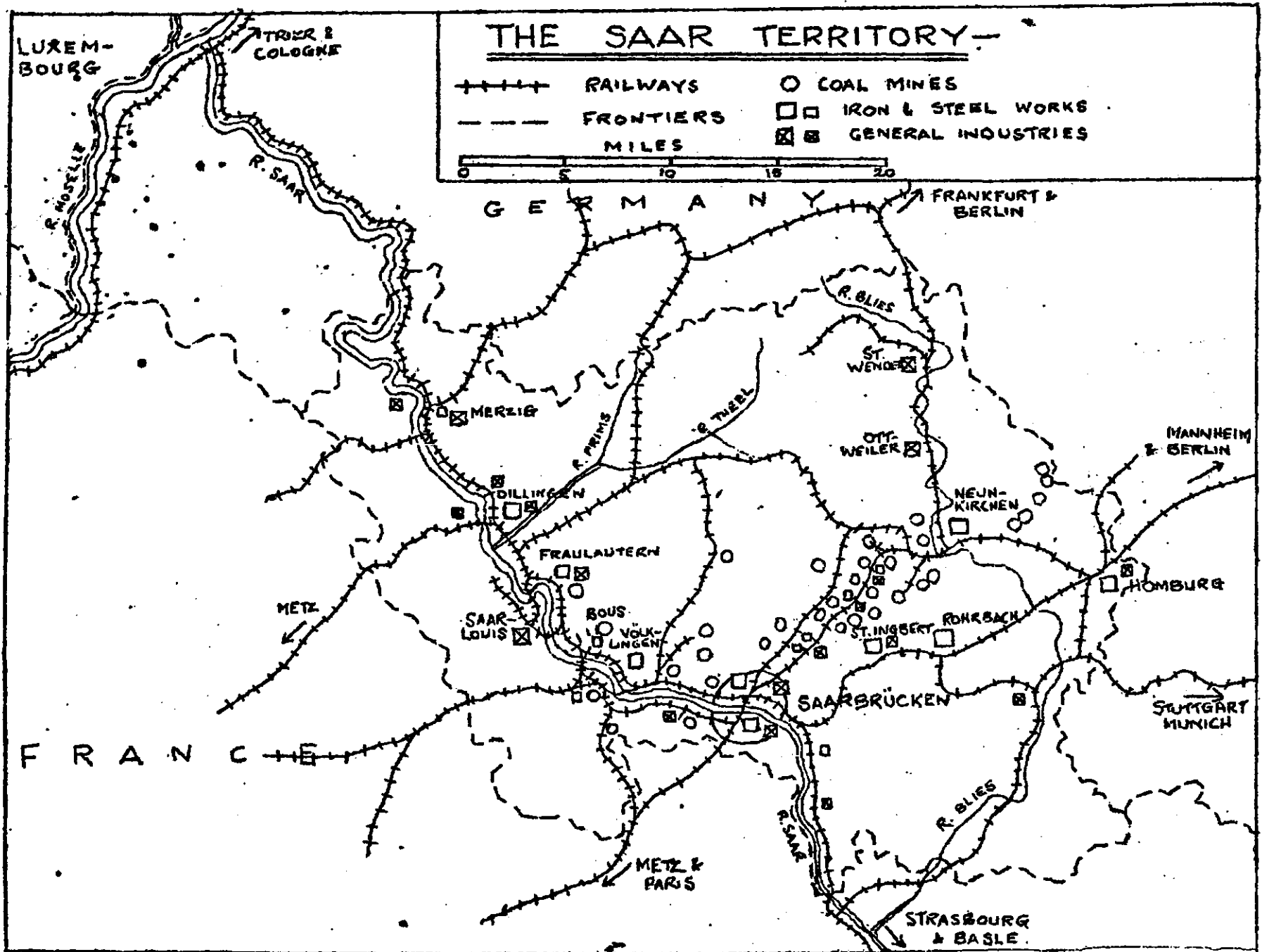
The stipulations under which the cession of the mines was to be effected as well as the "measures intended to ensure respect for the rights and well-being of the population and the government of the Saar territory, and the conditions in which the inhabitants will be called upon to indicate the sovereignty under which they may wish to be placed" are set out in an annex to these Articles under the following heads:-

- Chapter I.            Cession and Exploitation of mining Property,  
                          Clauses 1 - 15.
  
  - Chapter II.            Government of the Territory of the Saar Basin,  
                          Clauses 16 - 33.
  
  - Chapter III.           Plebiscite, Clauses 34 - 40.
-

The stipulations under which the cession of the mines was to be effected as well as the "measures intended to ensure respect for the rights and well-being of the population and the government of the Saar territory, and the conditions in which the inhabitants will be called upon to indicate the sovereignty under which they may wish to be placed" are set out in an annex to these Articles under the following heads:-

- Chapter I.            Cession and Exploitation of mining Property,  
                          Clauses 1 - 15.
  
  - Chapter II.           Government of the Territory of the Saar Basin,  
                          Clauses 16 - 33.
  
  - Chapter III.          Plebiscite, Clauses 34 - 40.
-





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THE  
SAAR PLEBISCITE

*(Supplementary to THE SAAR PROBLEM)*

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CHATHAM HOUSE  
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S.W. 1

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T H E S A A R P L E B I S C I T E .

(Supplementary to "The Saar Problem").

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THE SAAR PLEBISCITE

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  - V Saar Articles of the Treaty of Versailles.
- Map of the Saar Territory.

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NOTE.

Attention is drawn to:-

THE SAAR PROBLEM

(Information Department Paper, No. 11, Price 2/-)

First published February 1934. Sixth (revised) edition December 1934. This outlines the historical background of the Versailles Treaty settlement and the political and economic development of the Territory since that date. It also contains the record of the plebiscite campaign and the measures taken by the League of Nations up till the Franco-German agreement of June 2nd, 1934.

## INTRODUCTION

---

The direct agreement between France and Germany regarding the Saar, negotiated in Rome on December 3rd, 1934, and the League Council's decision - taken two days later - to police the area during the plebiscite with a neutral international military force, produced a welcome slackening of the tension which a few weeks previously had threatened to precipitate a serious crisis in the relations between France and Germany, and to provide a severe test of the ability of statesmanship and diplomacy to preserve peace in Europe.

While the position has been materially altered for the better, the implications of the recent decisions at Rome and Geneva cannot be fully grasped, nor can the problems which may still arise after the plebiscite be appreciated, without an understanding of the difficulties caused by the Nazi campaign and its repercussions. To these dangers the efforts of the League Committee of Three, the initiative of the British Government and the good sense of the two States directly concerned seem to have put an end.

This Memorandum sets out to record not only the terms of the agreements but also the complexities of the situation before they were successfully concluded. It covers developments during the period from June 2nd, when the first agreement was reached at Geneva for the holding of the plebiscite, up to the final decision taken by the League Council in the second week of December, 1934.<sup>1)</sup>

The problem of the Saar's future has passed through many vicissitudes over the past two years. Had the plebiscite date - now fixed for January 13th, 1935 - fallen

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1) It thus continues the record contained in The Saar Problem, Information Department Paper, No. 11.

before the rise of the Nazis to power in Germany in January, 1933, it can reasonably be argued that its holding would have presented no complications. The population of the Saar is almost entirely German, and would, it was generally acknowledged, have voted overwhelmingly for reunion with Germany. The League Council would have been faced with a clear issue when called upon to "decide on the sovereignty under which the territory is to be placed," and the only outstanding points requiring settlement would have been the payment in gold due by Germany for the French-owned mines, and arrangements regarding the French currency in circulation, the service of foreign loans and the future of the Saar's important trade with France.

The development of Nazi policy both within Germany and in the Saar radically changed this position. The suppression of the German Socialist and Communist parties, and the difficulties arising out of the continued failure to implement the Concordat with the Vatican seriously disturbed the left-wing and also the Catholic elements in the Saar, and led many, though good Germans, to weigh the possible advantages to be gained by a vote for the continuance of the status quo. Moreover, from the Saar standpoint, Germany's economic plight presented fresh difficulties, and anti-Nazi Saarlanders made play with the argument that a vote for union with Germany spelt union with a country where taxation was higher, the standard of living lower and prosperity harder to come by than under the international regime. Further, the Nazi plebiscite campaign and the pressure on non-Nazi elements not only created local tension and aggravated the Governing Commission's task of administration, but infinitely complicated the League's responsibilities in securing the freedom, secrecy and trustworthiness of the voting.

Internationally, the situation was at times serious. Fears were expressed of a Nazi putsch organised from Germany. These were based sometimes on the possibility that over-zealous partisans of the Nazi cause might get out of hand, sometimes on the belief that the Nazi regime would go to any lengths to avoid the loss of prestige that would be involved in any noticeable reduction in the anticipated vote for re-union with Germany. In spite of German assurances that there was no danger of a resort to force, there was considerable uneasiness, which a rumour that French troops had been warned to hold themselves in readiness to move into the territory, if called upon by the international authorities, did little to allay.

The decision taken by the League Council on December 5th, 1934, ushered in a third and calmer phase. The good will shown during the preliminary negotiations by both French and German representatives has been commented upon, and in the view of the Berliner Tageblatt "throws a favourable light upon the time when Franco-German relations will no longer be burdened with the Saar problem". The fears of a Nazi putsch and the threat of French troop movements both evaporated with the acceptance by the interested parties of a neutral international military force to police the territory and to maintain order during the plebiscite period. The Franco-German agreement concluded at Rome also settled the most important economic questions which were likely to arise in the event of the territory reverting to Germany and which had been left outstanding by the agreement of June 2nd. These included the disposal of the French currency in circulation, the payment due from Germany for the repurchase of the mines from France, and certain other questions relating to the service of Saar loans and the guarantee of pensions and

social insurance to the inhabitants. At the same time the all-embracing undertaking given by the German Government for the fair treatment of any anti-Nazi minority, though only valid for twelve months, seems to have gone some way towards calming the passions and fears prevalent in the territory and elsewhere on this score.

Favourable though these signs appear, the League Council still has a serious task to perform; in particular, it is responsible for the conduct of a fair plebiscite and for ensuring to the inhabitants freedom from any coercion, for the allocation and, possibly, the partitioning of the territory and for guaranteeing the execution of existing undertakings both before and after the plebiscite:

Great Britain, both as a member of the League Council and by virtue of the substantial British contingent to the international force to which the League has entrusted the task of maintaining order in the Saar, has assumed her full share of responsibility for the final settlement of a problem upon which good relations between France and Germany, if not the peace of Europe itself, largely depend.



THE NAZI CAMPAIGN AND ITS REPERCUSSIONS.

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Until the end of October 1934 the weight and volume of Nazi activity in the Saar developed in a steady crescendo.<sup>1)</sup> During the greater part of 1933 the movement had concentrated on organizing its forces and by the beginning of 1934 it had so far succeeded in this that it was able to turn its attention to its main object - the drive for an all-German vote in the 1935 plebiscite.

In the autumn, however, the local Nazi campaign was checked. This change played an important part in helping to create the more favourable atmosphere in which the negotiations opened in Rome at the beginning of November.

1. THE PLEBISCITE CAMPAIGN IN GERMANY.

In considering the support afforded by the Nazis in the Reich to their comrades in the Saar, it must not be forgotten that in German eyes the Saar has never ceased to be a part of Germany.

Moderation marked the official pronouncements on the Saar made by the Nazi Government during its first months of office. As time went on a less conciliatory attitude developed; a Reich Commissioner was appointed for the Saar in November, 1933,<sup>2)</sup> and the first months of 1934 saw an increase in the volume and violence of propaganda broadcast from German stations. A Reichssender broadcast talk on May 9th, for instance, went so far as to put forward the accusation that

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1) For a record of Nazi activities in the Saar up to June, 1934, see The Saar Problem.

2) Herr von Papen until his appointment to Vienna in August, 1934; he was succeeded on August 10th by Herr Bürckel, S.A. chief and former Nazi district leader for the Palatinate.

Mr. Knox "practises public and secret injustice, and under cover of the prescribed neutrality promotes the terror which is directed against the German population." Three days earlier speaking as a responsible Reich Minister, Dr. Göbbels pointed out to a mass meeting at Zweibrücken, just in the Palatinate, that "the fact that the flag of Adolf Hitler waves throughout the Saar Territory in spite of terrorism, chicanery and official pressure, proves...that the Saar belongs to the German people."

That financial help in addition to verbal encouragement was forthcoming from Germany for propaganda in the Saar and abroad cannot be doubted, though its extent would be hard to gauge. Certainly the Nazis were always the best financed party in the Saar, enjoying offices, printing facilities, the means to hire halls, etc., on a scale which could scarcely be met solely out of the one franc subscriptions to the Deutsche Front.

Immediately after the June Agreement, though the campaign in the Saar proceeded unabated, official support from Germany seemed to slacken. But the lull continued **only** until the end July, during which period the attention of Berlin was transferred to Austria. Following the failure of the July putsch in Vienna, Berlin concentrated once again on the plebiscite and Herr Hitler himself inaugurated the "Loyalty to the Saar" campaign at Ehrenbreitstein, near Coblenz, on Sunday, August 26th. This mass demonstration was organised with proverbial German thoroughness; 127 special trains brought 120,000 Saarlanders - practically free of charge - to hear the Führer, and relays of runners from the furthest provinces of Germany arrived with messages of encouragement to their brethren in the "German Saar." Herr Hitler spoke with studied moderation; he repeated, what he had said on former occasions, that

the Saar was the sole territorial issue in the way of harmony with France, and that the solution of this problem was the shortest way to peace. He offered a gesture of reconciliation to non-Nazi voters, and promised economic help to the Saar worker. This moderate tone did not, however, prevail throughout all contemporary speeches by Nazi leaders; in particular it was lacking in the denunciation issued, on August 21st, by Herr Simon, leader of the Reich League of Saar Associations, when urging cooperation in the Saar campaign to be inaugurated at Ehrenbreitstein:-

"The Marxists and Jewish traitors who have fled from Germany to the Saar abuse and terrorise our consciously German brothers in the Saar. Under the benevolent toleration of the Governing Commission they are allowed publicly to defame the Reich, its Government, and the Führer, and they openly commit high treason in their newspapers. Every day, in the Saar, German workers are thrown out of work because they will not deny their Fatherland. They and their families suffer hunger and misery for Germany, for its people, and thereby for you, German fellow-countrymen! In spite of all oppression, trickery, terror, want and misery, the German people of the Saar and, in particular, the German hand-worker and miner, have for 15 years carried on a heroic and unprecedented fight for their German Fatherland."

As from the beginning of November a sudden change took place. Without attempting to set out the causes for this, it would not be unreasonable to assume that official circles in Germany were anxious lest unauthorised acts by irresponsible elements should precipitate intervention from abroad for the maintenance of order, undertaken at the request of the Governing Commission. In any case, Germany had been warned of the possibility of such action, both by M. Barthou's statement at Geneva on September 27th and by the press announcement of October 30th that French troops had received orders to stand by in case of need.

On the other hand, it might have been recognized in Berlin either that extremism had, for the moment, achieved its aim, or that if carried too far it might defeat its object,

and, instead of persuading waverers to vote in favour of German through fear of the consequences, it might strengthen them in their distrust of the existing regime in Germany. Whatever the reasons for the change, and, with negotiations imminent in Rome, there may have been others, the fact remains that Herr Bürckel, the Reich Commissioner for the Saar, issued on November 2nd an order to S.S. and S.A. formations in the Palatinate. This prohibited the wearing of uniforms between January 10th and February 10th within a 25 mile zone along the Saar frontier and banned all processions, parades and meetings in the same area. On the next day this move was followed by the Nazi leader in the Saar, Herr Pirro, who enjoined the strictest discipline on Nazis in the Territory on pain of expulsion from the Deutsche Front and subsequent prosecution.

It must be noted that Herr Hitler during this period consistently maintained the views he had expressed at Ehrenbreitstein and on many previous occasions. On September 13th he stated in an interview with M. Lamas of L'Intransigeant that he had "made every effort to clear and purify (désintoxiquer) the atmosphere between France and Germany" and had striven for a bilateral agreement on the Saar question; he said much the same in November to two politicians, MM. Goy and Monnier, adding that it was pure nonsense to suppose that Germany intended to disturb the plebiscite by force. He also specifically ruled out any question of re-raising the Alsace-Lorraine issue.

To complete the brief survey of support from Germany to the Nazi campaign it should also be recorded that on November 16th the Roman Catholic Bishops of Trier and Speyer issued an admonition to their clergy and other German priests who might be staying in the Saar to refrain from attending any kind of political meeting, writing in the press or recommending political works from the pulpit. "Our aim," they said, "in

issuing this order is to eliminate politics from the Church; our order does not affect the moral duty of love for the German nation and loyalty to the Fatherland." This statement is significant in that both Bishops had on more than one occasion expressed sympathy with Nazi views on the Saar issue.

2. THE NAZI CAMPAIGN IN THE SAAR.

In the summer of 1933 the National Socialist party in the Saar dissolved itself and combined in July with three other pro-German groups (the German National, Saar People's and Economic parties) to form the Deutsche Front. In the following October the Catholic Centre Party also decided to dissolve, most of its members likewise joining the Deutsche Front, which thus united all the main political groups in the Saar except the Socialists and Communists. It was formally constituted on March 1st, 1934, and estimated its membership by May 15th at 455,000, or 93% of the voters<sup>1)</sup>. This Deutsche Front organisation pledged members to "a common effort for the reunion of the Saar to the Reich,"<sup>2)</sup> and, working under the leadership first of Herr Spaniol and later of Herr Pirro, has been responsible for most of the propaganda of which the Governing Commission and also the Socialists complained at Geneva.

It stated that it held its members under rigid discipline and claimed that any acts of violence performed were the work of its opponents. Any Deutsche Front member using such methods would be expelled from the group, on the ground that no pressure was necessary since the Saar was German in any case<sup>3)</sup>. This logical argument does not appear to have weighed with all Nazi supporters.

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1) For other estimates see Appendix IV.

2) Text of membership form.

3) See Petition to Geneva, May 15th, 1934.

The Governing Commission, in its reports to Geneva, gave a rather different picture of Deutsche Front activity. The quarterly report for the third quarter of 1933 referred to its attempts to "establish a de facto authority by the side of a de jure Government," and that for the last quarter of the same year to the difficulties of controlling the activity "of persons connected with an authority or organisation outside the Saar;" it went on to detail the measures taken against "systematic intimidation and threats of reprisals." These descriptions of local conditions were carried further in the later quarterly reports and were completed by a long series of communications to the Secretary-General of the League<sup>1)</sup>. The two most important of these are a letter from Mr. Knox and a report from the Governing Commission published at Geneva on September 3rd and November 9th, 1934, respectively. The latter was not signed by the Saar member of the Commission. They cover the findings of a raid on the Deutsche Front headquarters which the Governing Commission, acting on information received, caused to be carried out on July 19th and 24th, 1934. The documents seized on that occasion revealed the existence of an energetic clandestine campaign and of collusion between the Saar Nazis and official bodies in Germany; the main points brought to light were:-

- 1) That the head of the Reich Propaganda Department of the Ministry of Labour offered to Herr Spaniol on October 6th, 1933, to submit a request to the Reich Government to enrol up to 10,000 Saarlanders in the German Volunteer Labour Corps to receive "special attention and instruction with a view to the Saar campaign (Saarkampf)". Further documents detailed the numbers, disposition and proposed treatment of these young volunteers; estimating the cost of their upkeep and training, over 18 months, at 12,900,000 Reichsmarks (about £1 million). The training was described as Wehrsport (defensive military sport).

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1) For a summary of those published in the first months of 1934, see The Saar Problem, Information Department Paper No. 11, pp. 30-31.

- 2) That the Deutsche Front had retained the organisation of the old National Socialist party and was planned to place every Saar inhabitant under observation or control. This took the form of spying on adversaries, and the exercise of pressure on non-members to join the Deutsche Front or face the consequences "after 1935." Such activities were carried out thanks to the Ordnungsdienst, officially the service ensuring Deutsche Front discipline but, in the view of the Governing Commission, in reality a "sort of secret police."<sup>1)</sup> Blockwarte, or wardens of blocks of houses, were also responsible for reporting non-members, recruiting waverers and ensuring the execution of Deutsche Front orders.
- 3) That collusion between the Deutsche Front, Saar officials and German official bodies, particularly the German Secret Police (Gestapo), was proved in "hundreds of letters seized at Saarbrücken."
- 4) That not only threats but active boycotting methods had been used in order to bring so great an influence to bear on cinema proprietors "that they would without exception place their theatres at our disposal for the plebiscite struggle." Another boycotting practice was to put such pressure on local inhabitants as to prevent them from appearing as buyers of real estate put up for sale by order of a foreign mortgage-holder.

The publication of these accusations involved the Commission in a considerable correspondence with the Deutsche Front authorities, who contended that so far as the Volunteer Labour Corps was concerned, Mr. Knox had misunderstood the term Saarkampf which "means nothing but the struggle for the soul of a German population."<sup>2)</sup> Among other complaints made by the Deutsche Front was an allegation that the seized documents had been investigated by émigrés and Marxist officials whose attitude to Germany was obvious and who had been allowed to "flood" the Saar. For this they claimed that Mr. Knox's anti-Nazi bias was responsible. Some of these counter-allegations caused Mr. Knox to ask the Supreme Court on November 15th to take proceedings for libel against certain Deutsche Front leaders.

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- 1) Report of November 9th, 1934.
  - 2) The Governing Commission had nevertheless banned recruiting for the Labour Corps by a decree of September, 1934..

That there may have been some grounds for the fear of post-plebiscite reprisals - whether open or secret - is illustrated by the extravagant language used in some of the seized documents. As an example of this may be cited a letter made public by the Governing Commission on September 21st from Herr Schaub, a Deutsche Front official, to his leader, Herr Pirro, regarding the downfall of the previous Saar leader, Herr Spaniol. Spaniol, he said, was boasting openly in Germany that in the event of a defeat in the plebiscite, he would "invade the territory at the head of his 17,000 Saarlanders in the German labour Service." Herr Schaub also referred to a post-plebiscite "clean-up, similar to that which took place in Germany on June 30th."

It was hoped at the time that the Franco-German agreement of June 2nd, fixing the plebiscite date and arrangements, would relieve the tension. In fact, it did not do so. Moreover, certain events in Germany only served to render the Nazis in the Saar even more extreme. These events were the "clean-up" of June 30th, the deaths of two prominent Catholics, Dr. Klausener and Herr Probst<sup>1)</sup>, the development of the struggle between the State and the German Evangelical Church, the failure of the Nazi putsch in Austria at the end of July, and the increase to 4,000,000 in the anti-Hitler vote recorded in the German elections of August 19th.

In November, however, as has already been explained, moderation was enjoined by Berlin and in pursuance of this Herr Pirro issued an order, published in all Deutsche Front papers on November 5th, 1934, demanding rigid obedience from every member of the Front, under penalty of expulsion and legal prosecution.

1) Dr. Klausener, president of the Catholic Action was officially reported to have shot himself in his office on the morning of June 30th. Herr Probst, Reich leader of the Deutsche Jugendkraft, a leading youth organisation, was arrested on July 1 while visiting Mgr. Wolker, president of the Catholic Youth Organisations, and was later shot "while attempting to escape."



3. THE OPPOSITION IN THE SAAR.

The uneasiness created by the Nazi campaign was reflected in considerable activity on the part of the opposition, under the leadership of the Socialist Herr Max Braun, editor of the Volkstimme, and the Communist Herr Fritz Pfordt, editor of the Arbeiter Zeitung.

During 1933 and the first part of 1934 the chief anti-Nazi activity was outside the territory, Herr Max Braun visiting all neighbouring States to give firsthand accounts of the "Hitler Terror." In the summer of 1934, however, the opposition came out into the open and on July 4th inaugurated the United Socialist-Communist Front (Einheitsfront) at a meeting of 6,000 people. Its propaganda for a vote in favour of the status quo warned voters of the consequences of incorporation in the Third Reich. Attention was drawn to these in a manifesto signed by some thirty well-known Germans, in exile abroad, which filled the front page of the Volkstimme for September 21st, specifying in particular the certainty of unemployment up till the age of 25<sup>1)</sup>, and the privation and economic hardships being suffered in Germany.

The complaints which the Einheitsfront forwarded to Geneva regarding the "Nazi venom" polluting the territory were considerably more lurid than the Governing Commission's reports already quoted, but in the main bore on the same points. Many of them dwelt on the fear of local and other

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1) A decree promulgated in Germany on August 30th, 1934, provided that all men and women under 25 years of age were to yield their posts in public or private employment to older unemployed men. Exceptions were made in the case of married men, apprentices, time-expired soldiers or sailors, long-standing members of the Nazi Party, or of para-military associations, and men who had served a year in Labour Service Camps, or as a farmer's help

reprisals after January 13th, on the ground that in spite of its undertaking of June 2nd to refrain from pressure the German Government had subsequently failed to restrain the excesses of the Deutsche Front. A petition published by the League as late as December 2nd, 1934, emphasized that the Reich Government was still "interfering in the plebiscite campaign;" it held that the Reich decree of November 3rd, which expatriated twelve of the Germans who signed the Volkstimme proclamation cited above, constituted pressure on the voters, since the expatriation order stigmatized supporters of the status quo as traitors, and treason is, by the German "Law for the protection of the people and the State," punishable with death.

The strength of the Einheitsfront is hard to compute. Forty per cent. of the electorate voted for Socialist or Communist candidates at the last free elections in 1932<sup>1)</sup>, and Herr Max Braun estimated in the summer of 1934 that it represented thirty per cent. of those entitled to vote in January, 1935. An audience reported to number about 66,000 attended a mass meeting organised at Sulzbach on the same day as the Ehrenbreitstein rally - Sunday, August 26th - but it was impossible to gauge what proportion represented the converted or how many wavering Catholics attended in order to hear what the anonymous priest who took the platform with Herren Braun and Pfordt had to say. Foreign eye-witnesses reported that Nazis present scrutinised the attendance, and that it required the courage of conviction to appear at a meeting at which even the police greeted one another with the Hitler salute.

As regards violence by the opposition, and the Communist terror of which the Deutsche Front complained, there is little evidence other than the denunciations published in

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1) See Appendix IV.

Reich and Deutsche Front papers. Street brawls have occasionally taken place, but impartial observers attributed equal blame to both sides for these. Collisions were far more frequent in 1933, when several murders of Nazis by Communists took place (March 28th, August 8th, September 28th), but the only similar event during 1934 was the attempt on a policeman's life on July 25th, when the culprit, who was shot by his would-be victim, was found to have resigned from the Deutsche Front the day before. The existence of anti-Nazi tactics has not been proved; even the German press has failed to lay its finger on concrete cases; as regards propaganda, the Einheitsfront has not had at its disposal the funds which the Nazis have enjoyed.

The other possible opposition group is Roman Catholic. Over seventy per cent. of the Saarlanders belong to the Roman Church, and it is widely held that the votes of a certain proportion of these are bound to depend on Herr Hitler's relations with the Vatican, and also, perhaps, with the German Evangelical Church. The Vatican, naturally concerned with the issues involved, has maintained a Papal Emissary in the Territory. Until August it was Mgr. Testa, who called himself "the eyes and ears of the Holy Father, but not his mouth." Since that date, it has been Mgr. Panico.

Catholic uneasiness was at its highest during the summer months of 1934. The new Catholic paper the Neue Saarpost declared itself in June for the status quo, stating that it could not recognize the Fatherland in the present German Government, and, judging by the attendance at an anti-Nazi Catholic Youth meeting at Homburg on June 17th, this view had some public backing. The victimisation of Dr. Klausener and Herr Probst in the German "clean-up" of June 30th added

to Catholic anxieties; a requiem mass for them was held in Saarbrücken on July 12th, and on the 29th a meeting of 50,000 members of the Catholic Youth was held to protest against the circumstances of their death.

In the autumn an easier atmosphere appeared to prevail, and, as already recounted, the Roman Catholic Bishops of Trier and Speyer - in whose dioceses the Saar lies - on November 16th ordered their clergy to refrain from politics.<sup>1)</sup> It is interesting to note that this was coincident with a move by Herr Hitler to smoothe relations between the State and the Evangelical Church, and with a report that the German Government was preparing to renew the discussions with the Vatican over the application of the Concordat which had broken down in the previous September<sup>2)</sup>.

In spite of this promise of relaxed tension, proof of continued Church opposition to the incorporation of the Saar in a Nazi State was forthcoming when on November 30th, 1934, a new party, the German People's Union for Christian Social Community, was founded at a meeting in which Catholic priests and Protestant lay readers took part. A resolution was passed condemning class and race hatred, violent intervention and oppression in Church matters, and claiming the right to a free development for Christianity in the State and in the life of its citizens. "In a word, we will struggle for a Germany representing right and justice, truth, liberty and the dignity of the human race."<sup>3)</sup> The movement, whose motto "For Christ and Germany against National Socialism and Neo-Paganism," was reported to embody representatives of all denominations.

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1) See pp. 8-9 above.

2) Temps, November 6th, 1934; Mgr. Bares, Bishop of Berlin, went to Rome, apparently to report to the Pope, at the end of the month; see Temps November 29th, 1934.

3) Temps, December 3rd, 1934.

II

THE PROBLEM FOR THE INTERNATIONAL AUTHORITIES.

During 1934 two new international bodies were set up to provide for an ordered plebiscite, and the Governing Commission was supplemented by a Plebiscite Commission, responsible for the voting lists and arrangements, and a Supreme Plebiscite Tribunal, for the hearing of all complaints regarding pressure and illegalities, both before and for one year after the ballot.<sup>1)</sup>

Though staffed with international officials as far as the principal posts were concerned, all three bodies worked under a serious disadvantage in that the locally recruited subordinate officials were not free from bias. This problem formed the subject of several reports addressed to the League Council

The Governing Commission, in the first place, was not always able to depend on the impartiality either of its police force or of its civil servants. This difficulty was emphasized by certain events in April 1934, arising out of the appointment of ten emigres from Germany to posts in the Saar. This move, prompted no doubt by the need to counter-balance the Nazi influence preponderant in the police, was seized upon by Mr. Knox's German opponents and subsequently used as the basis for accusations charging him with an anti-Nazi bias. It also involved him in a correspondence with the German Government,<sup>2)</sup> and in polemics with State servants which ended in the disbandment of the Saarbrücken-Civil-Servants-and-Police Association on April 26th.

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1) For the establishment of these bodies see page 31 below.

2) See The Saar Problem, pp. 30-31.

In various reports to the League Mr. Knox described the difficulties of administration through officials who placed loyalty to other interests above loyalty to the Saar Administration. In the report published on September 3rd, 1934, he stated that "a number of documents" (seized in the Deutsche Front offices) "make it clear that officials under the Governing Commission have been led to commit acts or abstain from legal proceedings as the result of acts of intervention, which constitute nothing less than attempts to corrupt or exercise pressure". On November 9th he went still further, declaring that "the officials have been induced either illegally to furnish information and documents to the Deutsche Front or to place themselves at its disposal, so that the Deutsche Front is inclined to play in some respects the part of a clandestine Government. For the purpose of applying pressure, the Deutsche Front can rely not only on the help of far too many Saar officials, but it also enjoys the support of the German Government and German authorities".<sup>1)</sup> The German Secret Police (Gestapo) at Trier was the body principally concerned.

The problem also extended to the district Courts, where the magistrates were local men the political impartiality of whose verdicts tended to be questioned. On several occasions local verdicts were reversed by the Supreme Court.<sup>2)</sup> In one notable case, however, - the Röchling case<sup>3)</sup> - the

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1) The Times, November 10th, 1934.

2) This body should not be confused with the Supreme Plebiscite Tribunal. It is a neutral Supreme Law Court with international judges selected from States Members of the League and was established in 1921.

3) Dr. Röchling, head of the great Völklingen steel works and a prominent Nazi, was in 1933 charged with inciting feeling against the French Mines Schools. The Saarbrücken local court acquitted him on December 7th, 1933. The Public Prosecutor appealed to the Supreme Court, which gave judgment on February 20th, 1934, acquitting Dr. Röchling on the main charge, taking the view that the pamphlet circulated was intended merely as a warning to and enlightenment for German parents whose children attended the French schools. On this occasion the bench was composed of one French, one German and two Swiss judges.

Court rejected an appeal and upheld the main part of the verdict delivered in the local court.

In August, 1934, the Governing Commission itself was obliged to counter a local court verdict, when the Saarbrücken Court, dealing with a case arising out of the seizure of Deutsche Front documents during the raids of July 19th and 24th, ordered the release of these documents. Mr. Knox on August 8th ordered their reconfiscation.

The Municipal Councils presented the same difficulty. As an example of this may be cited the request by the Deutsche Front for permission to hold open air meetings in the principal squares. The Governing Commission replied that such permission could only be granted provided that the squares were also placed at the disposal of anti-Nazi meetings. Of the six municipal Councils concerned only one - Völklingen - accepted the proviso.

High municipal officials were on several occasions subjected to reprimands. The Mayor of Saarbrücken was reproved by the Plebiscite Commission for publishing under his official title a manifesto on behalf of reunion with Germany, and the Mayor of Homburg was on November 15th sentenced by the Supreme Court to six weeks imprisonment and a fine of 2,000 francs for violation of neutrality in the exercise of his duties.

Drastic action was taken to counter a similar situation arising over the hiring of halls and cinemas. In order to prevent the Deutsche Front from acquiring exclusive rights and so silencing its opponents, the Governing Commission found it necessary, on September 28th, 1934, to issue a decree empowering the international body of inspectors<sup>1)</sup> appointed by the Plebiscite Commission to requisition halls for meetings.

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1) For the work of these inspectors and also of the local committees see pp. 35-37 below.

The local committees appointed by the Plebiscite Commission to assist it in drawing up the lists of voters also came in for some criticism for their partiality on one side or the other. But on the whole their work was satisfactorily done.

Another step taken by the Governing Commission to secure impartiality was an order, announced on November 21st, 1934, precluding civil service officials from political activity in connection with the plebiscite. By it, the exercise of party functions or of propaganda on behalf of any party was punishable with a minimum of three months imprisonment or 1,000 francs fine. In an explanatory statement the Commission added that the officials must create confidence in their impartiality; the Plebiscite Commission regarded it as its duty to prevent any political party from obtaining the assistance of public authorities in the pursuance of its political aims.

Immediately upon receipt of this information the Deutsche Front ordered all its members who were civil servants to resign from the Deutsche Front and to appoint their successors without delay.

If evidence were needed of the impartiality with which the international authorities handled a difficult situation, no better testimony could be found than in the complaints directed by both sides against the various measures taken by them and the stream of petitions submitted to Geneva by Nazi and anti-Nazi bodies alike. The Nazis charged Mr. Knox with an anti-Nazi bias, referring to the "official terror", his "strange idea of the meaning of the word neutrality" and to alleged instances of his "allowing refugees permission to drill" and so on; while the chief fault of which the other side complained was the Governing Commission's inability to control the indirect pressure exerted privately in a variety of ways by the Deutsche Front.



Allegations against Mr. Knox on the score of anti-Nazi sympathies were not limited to the Territory. In August 1934, the German Government verbally protested that an abusive reference in a Socialist newspaper to the late President von Hindenburg had been allowed to pass without any official action being taken. In reply Mr. Knox made direct representations to Berlin, charging the Government with its toleration of the press campaign against the Governing Commission.

"Moreover", he pointed out, "attacks which are often insulting - for proof of this it is enough to refer to a speech delivered some months ago by a responsible Minister of the Reich near the Saar frontier - have been transmitted nearly every day by the official wireless broadcasting services in Germany". The official Deutsche Nachrichtenbüro<sup>1)</sup> countered with the reply that Dr. Goebbels' speech at Zweibrücken - the speech referred to - had contained no such reference, though a false report in the Paris Temps had imputed the words to him.<sup>2)</sup>

The Governing Commission's weapons in combatting measures likely to provoke local disturbances and prejudice the voting were confined to a series of orders prohibiting demonstrations the flying of flags, the carrying of arms and the wearing of badges and uniforms; other decrees provided, inter alia, against foreign agitators, intimidation or boycott and political propaganda in schools. A rigid press censorship was also imposed on the newspapers of both sides. In proportion to their number, Socialist and Communist newspapers were as frequently banned for defamation of the Reich and the Hitler regime as were Nazi papers for intimidation or for vilification of the Saar authorities. The Governing

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1) Berliner Tageblatt, August 24th, 1934.

2) The text of the speech in question as reported by the Völkischer Beobachter is quoted on p. 6 above.

Commission also enjoyed the power to ban pamphlets or cinema programmes - regarding the use of which it frequently consulted the Plebiscite Commission. Both bodies also felt it advisable to prohibit the holding, during the difficult months just before the plebiscite, of ceremonies likely to involve the entry of a large number of foreign residents into the territory.

But the negative means at the disposal of the international bodies proved inadequate to curb the emotions loosed in the territory, and a proclamation issued by the Plebiscite Commission, on November 12th, 1934, was marked by a firmer tone. The gist of this document was that in view of the abuses of freedom of speech and freedom of the Press practised by political parties, the Commission recommended all, and more particularly leading and influential persons, to display moderation in their propaganda, both public and private. It continued that in future the Commission would be obliged to report such abuses to the Public Prosecutor's office as being contrary to the laws in force; further, the inhabitants of the Territory must bear in mind the solemn declarations made by the French and German Governments<sup>1)</sup> "to abstain from pressure or reprisals" and act in the spirit of these undertakings.

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1) See Agreement of June 2nd, 1934, p. 30 below.

THE MAINTENANCE OF ORDER.

In the light of the account given in the preceding section of the difficulties experienced by the Governing Commission its decision to supplement the existing gendarmerie by the appointment of neutral volunteers is fully understandable.

The League Council in its resolution of June 4th, 1934<sup>1)</sup> approved this, and Mr. Knox took advantage of the authorization when, on July 25th, he appointed an Englishman, Mr. Hemsley, as his Chief of Police. The Governments of the States Member of the League were circularised by the President of the Council on September 3rd as to the possibilities of recruiting German-speaking volunteers, and, though there was some hesitation to give official help, only Switzerland, of the neighbouring countries, declined to permit enlistment of volunteers within her territory. Mr. Knox fulfilled the Council resolution in that he made his appointments "as far as possible from among inhabitants of the Territory;" he is reported to have received over 4,000 applications for the 200 vacancies available for local men. In the autumn, however, he began to draw more heavily on foreign staff; a communiqué from Saarbrücken published at the end of November reported that five British, three Norwegian and two Czech officers had been engaged, and stated that further contingents of volunteers were expected.<sup>2)</sup>

The employment of neutrals was at first hotly criticised in Germany and in the Deutsche Front press, where the contention was put forward that the Front was fully capable of keeping order in the ranks of its members.

By the month of October, however, the whole question of employing foreign volunteers in the Saar Police Force tended

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1) See p.31 below.

2) When recruiting ceased on December 12th about 100 constables and 20 officers had been appointed.

to recede into the background in face of the growing fear of a Nazi putsch and of consequent intervention by French troops. French public opinion was seriously alarmed by the threats and extravagant statements issued by certain Nazi leaders, and when the League Council on September 27th considered a report by the Committee of Three regarding the maintenance of order, M. Barthou made it clear that France had special responsibilities in the Saar and would not hesitate to assume them if called upon to do so<sup>1)</sup>. This statement was followed by an announcement in the Matin, Oeuvre and London Times on October 30th that the 20th Army Corps at Nancy and the 6th Corps at Metz had received the instructions necessary to allow Mr. Knox to have troops at his disposal within a few hours, should he be forced by circumstances to ask for assistance from outside<sup>2)</sup>. This report caused a considerable stir and there was much excitement in Berlin and in the Saar, where the French action was denounced as an "illegal and dishonest attempt" to influence the voting. The tension threatened to become serious, but on November 2nd relief came when an order was issued by Herr Eürckel, the Nazi Commissioner for the Saar, enjoining the avoidance of any act of open provocation along the frontier. This was followed by instructions from Herr Pirro, the leader of the Deutsche Front, demanding observance of the strictest discipline within the Territory.

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1) See p. 34 below.

2) The Governing Commission's right to make such a request was based upon a resolution of March 18, 1926, by which the League Council approved the conclusions of a report stating that "the Governing Commission is...convinced that, to be in a position to 'provide in all cases for the protection of persons and property in the Saar Basin, it is essential that it should be entitled at any time and immediately to call upon the troops stationed outside the Saar Territory and in the vicinity of its frontiers."

See League Official Journal, 17th Year, Number 4, Minute of the 38th Session of the Council, page 528.

Great Britain was drawn into the controversy when the Paris press carried headlines suggesting the despatch of "a handful of Tommies to the Saar." Interviews with the French and German Ambassadors took place at the Foreign Office in London.

On November 5th, Sir John Simon did much to dissipate rumours and calm opinion in all countries by a statement in the House of Commons:-

"Any dispositions in the part of France bordering on the Saar Territory on the west are purely precautionary, and, as I have pointed out, there can be no question of the use of external force for preserving order unless the Saar Governing Commission is unable to discharge the task laid upon it and is compelled to ask for assistance.

The German Ambassador saw me at my request this morning and confirmed the information published in the press on Saturday that the German Government authorities had issued orders to the S.A. and S.S. formations on the German side of the Saar frontier prohibiting, over a belt 25 miles wide and over a period which covers the date of the taking of the plebiscite, the wearing of uniforms, parades, processions, or gatherings of any kind, and have at the same time issued a solemn assurance that there is no danger of an invasion of the territory of the Saar. I have expressed both to Herr von Hoesch and to the French Ambassador today the satisfaction of His Majesty's Government at this announcement, and at the same time have received from the French Ambassador the assurance that the French arrangements are of a purely precautionary kind, as already indicated."

But feeling in Germany continued to run high, and the press to denounce the reported order to French troops as an attempt at intimidation. The German Ambassador in Paris was instructed to call - which he did on two occasions November 6th and 9th - at the Quai d'Orsay. M. Laval took the opportunity of denying the report that any troop movements had actually been carried out, and to explain that only an order to stand by had been given.

Berlin was still not satisfied and on November 7th the Government circulated a statement of its objections to the British, French, Italian and Belgian Governments - in fact, to the Locarno Powers. While this note was being considered, point was given to the whole incident, and to current rumours

of the possibility of a Nazi putsch, by the publication on November 11th in the Vienna Reichspost, the Austrian Government organ, of a somewhat sensational report, stated to come from a "prominent neutral personality." This alleged that the French measures had been necessitated by the discovery of a Nazi plot - which had reached the hands of the Chief of Police, Mr. Hemsley, on October 25th - to kill all members of the Governing Commission, together with Mr. Hemsley himself and leaders of Opposition groups in the Saar.

The tension created in France and Germany both by this incident and the rumours which were circulating appeared to relax at the beginning of December. This was due, on the one hand, to the instructions issued by the Reich authorities and the Deutsche Front implementing the 25 mile zone order and tightening up discipline in the Saar, and, on the other, to a change of attitude on the part of the French Government. Addressing the Chamber on November 30th M. Laval abandoned the threat implied in M. Barthou's earlier declaration, that France would, if necessary, act alone.

This speech was the first indication of the change in French policy which became apparent at the meeting of the League Council on December 5th, 1934. M. Laval appealed for the participation of other countries in any military action for the maintenance of order in the Saar which might become inevitable. At this juncture, Mr. Eden, acting upon instructions from the British Government<sup>1)</sup>, judged the moment right

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1) It subsequently became known that the matter had been discussed and a decision arrived at by the Cabinet some days previously. The announcement caused some surprise in view of the statement made by Sir John Simon on November 5th that "There never has been any question of the use of British troops and nothing of the sort on our part is contemplated." The change of policy may perhaps be ascribed to the new situation resulting from the modification of the French attitude, the willingness of the German Government to enforce discipline and to the effect of warnings received from Mr. Knox.

to take the initiative and delivered the following important declaration:

" .....M. Laval has raised one outstanding difficulty which still remains to be resolved. As in the case of other plebiscites, so here one cannot deny the possibility that there might be, however great the good will on either side, a certain amount of excitement and ebullition in the period during and after the plebiscite.

.....In these difficult and anxious matters there is one maxim the truth of which cannot surely be challenged: Prevention is better than cure. It is no doubt true that there are forces available for use in an emergency not very far away, but that, in the opinion of his Majesty's Government, would not be the best way to deal with the situation.....The way to do this would appear to be by means of the introduction into the Saar on the responsibility of the Council as a whole before the plebiscite took place of an international force, which should not include troops of either of the two parties concerned, for the purpose of keeping order.

.....At this stage, then, let me make clear the position of his Majesty's Government. If the Council of the League decides, as a result of the information which has been laid before it, that it is desirable for an international force to be stationed in the Saar for the purpose of maintaining order in connection with the forth-coming plebiscite, and if the United Kingdom were invited to cooperate in this matter, then, provided other countries which are conveniently situated for this purpose were prepared to make a contribution, and on the condition that both France and Germany assented to this arrangement, we should also be prepared to supply a suitable proportion of such an international force."

He was immediately supported by the representatives of Italy, the U.S.S.R. and Czechoslovakia, and on communication with Berlin, it was learnt that Germany, like France, agreed to the proposal, which was then adopted. This agreement achieved, the way was clear for the League Council by a resolution of December 8th to issue an invitation to the British, Italian, Dutch and Swedish Governments each to supply a contingent.<sup>1)</sup>

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1) The Swiss Federal Council had discussed the matter on December 7th and had decided that the Swiss Constitution precluded the participation of a Swiss military contingent in such a force; nor was it possible to send gendarmerie, since the Swiss police was organised and controlled by 25 separate cantonal authorities.

The same resolution laid down that the force was to act under the authority of the Governing Commission. Its expenses, over and above the day to day pay of its members, were to be met out of the special plebiscite fund and, if necessary, out of supplementary grants from France and Germany.

The four Powers invited to supply contingents announced their willingness to undertake the task without delay and the Council, at another meeting on December 11th, agreed upon the final details for the formation of the force. Placed under the command of a British general, it was to be used only as an emergency reserve and not for ordinary police duties.

Its strength was finally fixed at:-

British	1,500
Italian	1,300
Swedish	260
Dutch	250

The detailed arrangements regarding expenses were the subject of a special agreement dated December 12th, 1934. It was decided that the international force should be in position and should assume its duties in the Territory by December 22nd at the latest.

It is hard to overestimate the significance of the change of attitude on the part of France and Germany, or the vital importance, coming as it did at the critical hour, of the British Government's well-timed initiative. These developments combined to remove from the danger list a case which was causing serious anxiety not only to the two States directly concerned but to the whole of Europe.

That there was real possibility of an outbreak was only conjectured at the time, but it subsequently became clear that the danger was more imminent than had been generally imagined. Moreover, apart from the immediate danger, there was a serious risk of trouble in the post-plebiscite period, in that the population of Germany, for many months educated to



believe that the Saar would automatically return to the Fatherland immediately upon a favourable vote, might not brook the inevitable delay in transfer. In this connection it must be remembered that should the Saar revert to Germany, it becomes German territory on the left bank of the Rhine and as such is included in the demilitarized zone established by the Treaty of Versailles and guaranteed by the Locarno Pact.

The present arrangement would appear to preclude the danger of any irresponsible action. It is, in essence, a solution of a Franco-German problem in the spirit of the Locarno Pact and within the framework of the League of Nations

IV

THE LEAGUE'S PROVISION FOR THE PLEBISCITE AND AFTER.

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"The other conditions, methods, and the date of the voting shall be fixed by the Council of the League of Nations in such a way as to secure the freedom, secrecy and trustworthiness of the voting."

Treaty of Versailles, Annex to Section IV, Saar Basin. Paragraph 34.

The League Council began this task at its session in January, 1934, when it set up a Committee of Three (the representatives of Italy, Spain and the Argentine) to study the questions involved. With Baron Aloisi (Italy) as its active chairman, it consulted legal and plebiscite experts throughout the spring, and was ready with a provisional report on May 15th<sup>1)</sup> and a final report for the extraordinary meeting of the Council on June 4th.

The Agreement of June, 1934. The absence of Germany from League meetings somewhat complicated proceedings, but the German Government was prepared to negotiate with the French and the Committee of Three. As a result, the French and German Governments in identic notes of June 2nd, 1934 each undertook:-

- 1) To abstain from pressure or reprisals affecting the voting and "to prevent or punish any action by their nationals contrary to these undertakings."
- 2) To establish and maintain for "a transitional period of one year as from the establishment of the final regime" a Supreme Plebiscite Tribunal, with powers to hear complaints regarding "pressure, persecution, reprisals or discrimination" and to order "any appropriate reparation."

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1) See The Saar Problem, p. 38.

- 3) To bring any difference arising with any member of the Council on the subject of these undertakings before the Permanent Court of International Justice at the Hague.

The Council on June 4th noted these undertakings and guaranteed to see to their fulfilment. Further important resolutions adopted on the same day covered the following points:-

- 1) The fixing of the date of the plebiscite for January 13th, 1935.
- 2) The establishment of a Supreme Plebiscite Tribunal, with jurisdiction over all disputes and offences connected with the plebiscite, to consist of a president, a vice-president and six judges, all neutral, appointed by the President of the League Council.
- 3) Increase of the police and gendarmerie forces "as far as possible from among the inhabitants of the territory," without prejudice to the right of the Governing Commission to recruit additional police outside the territory, should it consider this necessary.
- 4) The following allocation of expenditure,<sup>1)</sup> to be paid in advance to the Secretary-General of the League of Nations:-  

France:	5 million French francs.
	(last instalment due October 1, 1934)
Germany:	5 million French francs.
	(last instalment due October 1, 1934)
Governing Commission:	1 million French francs.
	(due before July 1, 1934)
- 5) The establishment of a Plebiscite Commission of Three, appointed by the Council, to enter on its duties on July 1, 1934, and to be responsible for preparing all arrangements for the plebiscite.

The draft regulations governing this Commission's work were annexed to the report and provided for the establishment of the voting lists and arrangements for the actual ballot. An important point was the decision that the results of the voting were to be counted by small areas (Burgomeistereien) or unions of communes, any commune not forming part of such an union to constitute a voting area in itself.

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1) It was found necessary to increase these sums in September, 1934.

Two points in this agreement appeared to constitute important concessions on the part of Germany. The first was the acquiescence in the maintenance of the Plebiscite Tribunal for one year after the vote. This might involve recognition of the jurisdiction of an international body inside the German frontier, a situation out of keeping with the usual train of Nazi thought. The second was the agreement to count the votes by small areas, which increased the possibility of an anti-German showing in some districts.

Though this agreement was a great step forward, several important points were left unsettled; in particular nothing was said of the economic adjustments necessary were the Territory to change hands as a result of the vote.

The French Aide-Memoire of September, 1934. The French Government drew attention to these in a characteristically lucid document, approved by the French Cabinet on August 31st, and forwarded to the League Council. Its main theme, re-emphasised by M. Barthou in his speech to the Council on September 8th, was that whereas the League had concentrated exclusively, so far, on preparation for the plebiscite, timely provision for the post-plebiscite period was equally important.

"To await the result of the plebiscite before beginning the study of these problems would be to run the risk of improperly prolonging the period between the plebiscite and the coming into force of the new regime - a course which might be not only inconvenient but even dangerous - or of adopting incomplete and inadequately considered solutions which would prejudice legitimate interests and, first of all, in many cases, the interests of the inhabitants of the Saar."

Moreover, the trustworthiness of the vote could not but gain if the consequences of their votes were made plain to the voters.

Hence, after paying tribute to the progress made with the plebiscite arrangements, it turned to the three possible

issues and drew attention to the legal, economic and financial questions raised by each:

Legal Questions. In the event of reunion with France or Germany, decisions as to the nationality of the individual and the right to opt for nationality must be taken; France was prepared to offer complete equality before the law.

In case of a status quo decision, the Council had the right and duty to define the broad lines of the regime-to-be.

In any event arrangements must be made for the safeguarding of property, for guaranteeing the validity of decisions taken by the international authorities, for respect of contracts, for the rights of foreign bond and property-holders, and for questions regarding social insurance and pensions. The note suggested that a Mixed Arbitral Tribunal for a fifteen year period would be the body best fitted to deal with these points.

Economic Questions: the Mines. If a status quo decision came about, France would be prepared to hand over to the Territory a large part of the mines, now her property, "on equitable terms".

Thus complications would arise only in the case of reunion with Germany. Germany was bound by treaty to pay for the mines in gold, and "the French Government could not envisage renouncing ownership of the mines without obtaining satisfactory settlement". As such a settlement demanded time, and as France - "the documents are categoric on this point" - remained owner of the mines until paid in full, it would obviate an awkward situation if the Council were to deal with the question before the plebiscite. A reminder was also given that France possessed other property in the Saar, such as the railways forming part of the Alsace Lorraine system and the customs houses.

Financial Questions. In the event of transfer to Germany, not only the rights of the French Government but of all holders of foreign credits, many of whom were, via the Governing Commission, under League guarantee, must be safeguarded, in the interests of the holders and of the prosperity of the Saar.

The currency question raised no difficulty if the Saar became French or remained international.

If it passed to Germany and if the existing German transfer restrictions continued "it would be inadmissible that the francs circulating in the Saar should be withdrawn and claimed by the Reichsbank without being employed for the settlement of the foreign and private debts for which Germany will become responsible".

The September Council Meeting. The other question then exercising all minds - that of policing the territory for the plebiscite - was not dealt with until the Council meeting of September 27th. The Committee of Three then presented a report on the maintenance of public order recording that extra police had been enlisted from among the inhabitants of the Saar, but that the Governing Commission had felt it necessary to seek candidates outside the territory also; it went on to detail the measures taken with a view to recruitment.<sup>1)</sup> The French representative, M. Barthou, took this opportunity of venting French feeling as to the possibility of disorders and of issuing an indirect warning to the Nazis. The French Government, he said, took exceptional interest in the police question since, on the basis of the resolutions adopted by the Council in 1925 and 1926,<sup>2)</sup> France might be called upon to assume special responsibilities. She would not evade these if appealed to, but was extremely anxious to avoid any menace which might require her intervention.

Some surprise was felt when the League Council at its session in September devoted so little time to the Saar: the reason was that the subsidiary bodies all had important matters in hand, but were none of them then ready with final reports. The Committee of Three, originally constituted to deal with plebiscite preparations only, had on September 8th had its terms of reference extended by the Council in order

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1) See p. 23 above.

2) See p. 24 above.

to cover the study of the economic and post-plebiscite issues raised by the French. In its report of September 27th already quoted, it stated that it had begun to deal with these matters and was in touch with the two interested Governments; it was further at work on certain urgent questions:

- 1) The pensions and rights of Saar officials after the plebiscite.
- 2) Saar loans taken up outside the territory.
- 3) The prevailing uncertainty tending to prevent investment and bring about the withdrawal of capital.
- 4) The fate of social insurances taken out under the international regime.

In the hope that final reports on these points would be ready by mid-November, the Council provisionally fixed a special session for November 15th.

Some account of the work of the subsidiary bodies is called for here. The Plebiscite Commission<sup>1)</sup> founded in accordance with the resolution of June 4th, had begun work on July 1st and on the 7th promulgated the final text of the regulations for the plebiscite.<sup>2)</sup> These covered definition of the right to vote, the establishment of local tribunals, the compilation of the voting lists, claims, the voting procedure and penal provisions in the event of failure to carry out the regulations.

Its next task was the compiling of the voting lists. This was organised by districts under international inspectors<sup>3)</sup> controlling local committees for each commune. August 31st was given as the last date for application for registration and the provisional voting lists, showing

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1) For membership see Appendix I.

2) Text in First Monthly Report of the Plebiscite Commission. League document C. 356, M. 166. 1934. VII.

3) For list see Appendix I.

532,740 voters resident in the Territory and a further 55,794 resident abroad, were posted on September 23rd. The verification of applications was carried out with the assistance of the material collected by the League in 1923,<sup>1)</sup> and with police registers and census and electoral records.

The lists once posted, a flood of claims for alteration poured into the plebiscite offices. The Commission, in its fourth monthly report to Geneva, stated that out of 107,145 received, 53,477<sup>2)</sup> (49.9%) had been allowed. These varied from obvious errors of spelling etc., to complaints of duplication and to accusations of the intentional omission of names by local committees whose members were affiliated to one of the parties concerned. "These last-named complaints" said the third monthly report "were mainly from circles in favour of the status quo".

It was on these local committees that the Plebiscite Commission met with the Nazi bias already referred to. Though "at pains to choose persons who had not been politically prominent" it found that the majority of persons serving openly expressed their sympathy with the Deutsche Front. Some saw in this conclusive proof of the pro-German majority; others argued that few Socialists or Communists had either the means or the leisure to sacrifice several months to the work. In spite of this Nazi preponderance, the Commission reported that wilful falsifications had been rare; the technical work was in most cases "correctly and conscientiously performed".

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1) League Document C. 730. 1923. I; see also The Saar Problem, Information Department Paper, No. II, Section VII.

2) Analysis:

	<u>Total</u>	<u>Allowed</u>
Addition of names	32,854	18,540
Deletion of names	46,083	7,217
Correction of names	28,258	28,210



Further matters for the Commission were the actual organisation of the voting offices, with the 800 neutral controllers and the 2 tellers and 2 deputies prescribed for each, and administrative details such as the closing of the frontier on polling day, the question of voters' passports, and arrangements for the foreign press. Another responsibility was the procedure after the closing of the poll, particularly the counting of the result.

The Supreme Plebiscite Tribunal<sup>1)</sup> was set up by a decree of September 8th, 1934,<sup>2)</sup> and was ready to begin work by October 1st; its first cases were heard on the 16th. The cases heard both before this Court and before the eight district tribunals were chiefly confined to complaints of threats or undue pressure emanating from both sides, for which purpose it proved a useful subsidiary to both the Governing and Plebiscite Commissions. It had also by the beginning of December received 8,600 appeals on the score of the voting lists.

It did not prove possible to hold the special Saar Council Meeting on November 15th, as arranged. The Committee of Three, meeting in Rome on the 3rd to discuss economic questions and post-plebiscite guarantees with representatives of the French and German Governments, realised that the negotiations would be a long matter. They could not be hurried; the mines experts must be given time and the German delegates had on one occasion to return to Berlin for fuller powers; the Council was accordingly postponed first till the 21st, then until early December.

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1) For composition see Appendix I.

2) For Text see Third Report of Plebiscite Commission, League Document C. 500, M. 221, 1934, VII.

The Rome Agreement and the December Session of the Council.

It met, finally, on December 5th, when Baron Aloisi as Chairman of the Committee of Three was able to present to it a report embodying a second direct agreement between France and Germany signed in Rome two days earlier. The principal points covered were economic - being the adjustments necessary should the vote involve the return of the Territory to Germany. One important political clause provided explicit guarantees from both Governments to possible future minorities.

Baron Aloisi's report fell under three heads. The first constituted the Committee of Three's opinions on certain points affecting the future government of the Territory and thus required formal adoption by the Council. The second referred to the guarantees which the Committee considered necessary regarding the protection of the population from pressure and reprisals and the safeguarding of existing pensions and social insurance rights, and recorded the direct undertakings obtained from the French and German Governments on this score. The third detailed the international financial transactions which must take place in the event of the territory reverting to Germany and reported the direct Franco-German agreement already reached on December 3rd. In the two latter sections the Council was merely called upon to note undertakings already given.

The following were the recommendations adopted under the first head:-

1) Definition of "Status,quo" Regime.

That though the Council could not now define the form of government to be established should the plebiscite result in a vote for the status quo, it could state that there would be a change of sovereignty, since this would pass to the League. This change would empower the League to make changes in the form

of government, and, if it thought fit, later to dispose of that sovereignty (within the limits of the Versailles Treaty, i.e. to France, to Germany or to the Territory).

2) Nationality.

That Saar inhabitants acquiring a new nationality as the result of any change of sovereignty should have the right to opt, within a specified time limit, for one or other of the nationalities concerned.

Under the second head, the following were the specific guarantees from France and Germany obtained by the Committee on behalf of the population:-

- 1) The extension to non-voters of the guarantees to refrain from pressure or reprisals affecting the voting, afforded only to voters, by the Agreement of June 2nd, 1934.<sup>1)</sup>
- 2) During the transition from the existing to the new regime:-
  - a) to respect the right of the individual to leave the territory and to retain, sell or move his property.
  - b) to refrain (in the German undertaking, for one year after the change of regime; in the French, in perpetuity) from any discrimination on the ground of race, language or religion.

(It should be noted that these undertakings are only temporary, and that this section opened with a statement by the Committee of its view that the sovereign rights of France and Germany precluded the League from stipulating that the territory could only be handed over subject to specific permanent undertakings as to the treatment of the inhabitants.)

- 3) To safeguard the rights (annuities, pensions, etc. or other benefits) acquired or in process of acquisition by persons insured with Social Insurance Institutions under the present regime.

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1) See the three provisions given on page 30 above; hence the safeguard constituted by the right of appeal to the international Plebiscite Tribunal, to be maintained for one year only after the change of regime, was extended to the whole population, including refugees from Germany.

- 4) A fourth guarantee was to cover the position of Saar officials after the Plebiscite. The Committee was not ready with this and could only inform the Council that the two Governments had stated that they were prepared to negotiate with the Governing Commission.<sup>1)</sup>

Under the third head the Committee reported the successful negotiation of the direct Franco-German agreement signed in Rome on December 3rd, 1934. This, which covered the financial adjustments necessitated by a reversion to Germany, comprised the following:-

- I Outstanding French commercial claims on the Saar, and Saar claims on Germany, to be settled in francs and Reichsmarks respectively, through the present clearing system or by some equivalent method.
- II The Reich Government to afford effective assistance to the Governing Commission during any intermediate period.
- III The French Government to cede its mines,
  - 1) railways, customs stations and other immoveable property in the Saar against payment of a lump sum of 900,000,000 francs.
  - 2) This payment to be provided as follows:-
    - a) by handing over 95% of the French notes and other foreign means of payment circulating in the Saar, (to be recovered as defined under V below).
    - b) by free deliveries of coal so spread as to ensure full payment of the lump sum in five years.

To avoid the transfers under a) or the deliveries under b) Germany was empowered to deduct against either of the above any repayments she cared to make of Reichsmark debts incurred by the French Government or lessees in the Saar.

- 3) In addition, Germany to pay dues on the Warndt leases<sup>2)</sup> averaging 2,200,000 tons per annum for five years, or, if the 900,000,000 franc payment had not by then been discharged in full, until such time as the payment might be completed.

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1) Negotiations with the German Government began in Berlin on November 26th, 1934.

2) The Warndt mines are leased to French companies; they lie under the Saar but are entered from Lorraine.

Further paragraphs settle the conditions of the lease contracts, responsibility for damages, the claims of the French Mines Administration falling due after the change, etc. The agreement on the actual handing over of the mines and other property covered by the lump sum was to follow.

- IV The remaining 5% of the Bank of France notes and other foreign means of payment circulating in the Saar to be devoted to the service of "debts contracted by Saar natural or legal persons with the approval of the Governing Commission".
- V The Reichsmark to be substituted for the franc as the currency of the Territory by the following means; as from a given date:-
- 1) Introduction of the Reichsmark as sole legal tender.
  - 2) Immediate application of the present German transfer restrictions, subject to the exceptions provided for.
  - 3) Immediate opening of the maximum number of exchange offices under joint Franco-German supervision.
  - 4) Supply by the Reichsbank of the necessary Reichsmarks.
  - 5) The French notes so recovered to be paid into a blocked account in the name of the Bank for International Settlements, to be employed with the least possible delay for the payment of the debts mentioned above.
  - 6) Application of the German legislation on the possession of foreign currencies on expiry of the period of exchange.

The Committee, after reporting the conclusion of the agreement was able, "in agreement with the two Governments concerned and at their request" to submit a draft resolution to the Council recommending that following any transfer to Germany:-

- a) "The transfers representing foreign claims and capital investments in the Saar should continue to be made without impediment, on the understanding that the transfer position of Germany will not thereby be aggravated, and that the legal effect of foreign contracts and obligations in foreign exchange or gold will not be modified thereby;

- b) Account should be had, in the commercial settlements to be concluded, to the existing economic situation, with the motive of mitigating the regrettable consequences which might be entailed by abrupt alterations in the commercial relations of the Saar with other countries (coal, agricultural and industrial products, etc.);
- c) The above principles should govern the commercial negotiations which will have to take place, in the contingency above contemplated, between the Government of the Reich and the Governments concerned."

The Council noted the agreements reached and adopted this resolution and the report as a whole at its meeting on December 11th.

The other outstanding event of the December meetings was the decision to provide for the maintenance of order before, during and after the plebiscite by the despatch of a neutral international military force for which the final arrangements were made and confirmed during the session.<sup>1)</sup>

The main question left outstanding until the January Council was the final arrangement for the actual ballot and counting of the votes.

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1) See Section III above.

THE ISSUES AND THE INTERESTS AT STAKE.

The agreements and decisions the details of which have been set out in the preceding section settled many important points which had been left outstanding by the Agreement of June 2nd, and to which attention has been drawn by the French Aide-mémoire of September 1st, 1934. The principal of these concerned payment for the mines, the French currency circulating in the Territory, loans authorised by the Governing Commission, the safeguarding of officials' pensions and rights and the benefits of participators in social insurance schemes.

Certain considerations arise out of the provision made to cover these points.

The Mines and the French Currency. The payment for the mines due by Germany to France, as provided for in the Treaty of Versailles in the event of the return of the Saar to Germany, had previously been the subject of considerable speculation. Would Germany agree to pay, or could she carry out payment in gold as prescribed in the Treaty, should France insist on settlement in this form? Arguments were advanced from the side of Germany that France had by 1925 fully recouped herself for the losses resulting from the destruction of her mines during the war; or again that she was leaving the mines in a poor condition owing to the calculated short-term policy on which they had been worked.

The fate of the French currency circulating in the Territory - estimated at from one to two milliard French francs - was another point which caused anxiety. It was feared that Germany might prove intractable and attempt to exploit the situation in order to mitigate her shortage of foreign exchange.

The agreements on both these points caused general relief; not only were they specific and final, but the French Treasury was safeguarded against default. For instance, the sum in francs yielded by the withdrawal of the present currency may be insufficient to cover the payments to the Government for which 95% is earmarked; this is not impossible as from all accounts the total sum circulating is dwindling to the strict minimum required for daily needs owing to heavy exports of francs into bank balances abroad. Failing payment by this first means, France can fall back on several substitutes: either repayment by Germany of mark debts owed by France in the Saar, or continuation of the dues from the Warndt leases (though the French press, hypercautions, points out that the agreement includes no safeguard against denunciation of these leases by Germany).

Saar Loans. The position of the private creditor appears to be far less well secured. Some safeguard is afforded to participators in loans authorised by the Commission<sup>1)</sup>, by the provision, in Section IV of the Rome Agreement, that 5% of the Bank of France notes and other foreign means of payment recovered in the Saar after the plebiscite shall be devoted to their service. The amount of these loans outstanding was estimated by Mr. Knox, in a letter to the Secretary-General of the League of Nations of August 23rd, 1934, at:-

<u>Short Term</u> (maturing after the plebiscite)	<u>Long-Term</u>
French francs: 55,000,000	Fr. Francs: 110,000,000
	Sterling £890,000
	Dollars \$2,900,000

The value of this safeguard depends upon the quantity - at present, as already described, rapidly diminishing - of French and other foreign currencies actually collected in the Saar.

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1) For details of all Saar loans outstanding, see Appendix III.



Mr. Knox also estimated that, independently of the Commission, loans to the value of 100,000,000 French francs short-term, and 93,000,000 French francs and 1,000,000 Dutch florins long-term had been raised. These are not covered by the 5% allocation referred to above.

Foreign Capital Investments. Equally unprotected are foreign investments in Saar concerns - notably the extensive French, Belgian and Luxemburger holdings in the iron and steel industry.<sup>1)</sup> The application of the German transfer and foreign exchange restrictions hangs over the head of creditors in these two latter groups; their hope of mitigating the drawbacks which must ensue would appear to be slender, based only on the Council's recommendation, in the resolution covering the Rome Agreement, that "the transfers representing foreign claims and capital investments in the Saar should continue to be made without impediment." Though this recommendation commits the German Government in so far as it was made "in agreement with" it and "at its request," most investors would undoubtedly have preferred some more concrete guarantee of the nature of that provided for the French Treasury<sup>2)</sup>.

Social Insurance and Officials. The decisions taken by the League Council brought relief to two classes of the inhabitants previously guaranteed by the existing regime but uncertain of their fate under its successor. These were participants in the social insurance system of the Territory, whose rights were henceforth guaranteed whatever the result of the plebiscite, and the Saar officials who were anxious not only as to future employment but as to their pension and other rights, acquired by virtue of service under the Governing Commission.

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1) For the extent of this participation, see Appendix II.

2) See M. Frederic Jenny's leader in Le Temps of 10/12/34.

As long ago as May 27th, 1933, the Council, to relieve the anxiety prevailing, undertook to safeguard these; the means by which this is to be done have been left for settlement by direct negotiation between the Governing Commission and the Government concerned.

Minorities. The safeguard for the protection of the anti-Nazi minority in the event of a return to Germany was the remaining large scale issue dealt with in Rome. The guarantee given is all-embracing for one year only; after that date Germany is in no way committed to refrain from extending Gleichschaltung to the Saar.

It may not be out of place to mention here a purely temporary but important consideration to which the League's attention was drawn both by Mr. Knox<sup>1)</sup> and by petitions from the chief local commercial interests - the set-back to Saar trade caused by uncertainty as to the future of the Territory. This is chiefly felt in the tendency of French exporters to refuse credit, demanding instead ready money or a deposit for goods supplied, a point which Nazi petitions have not failed to exploit. This situation should be relieved by Clause I of the Rome Agreement<sup>2)</sup>, which provides for the settlement of commercial debts through the machinery of the Franco-German clearing office. Actually, however, it may not at once create the confidence it was designed to promote, for the clearing agreement is in bad odour in the Territory. The reason for this disfavour is that the Saar, figuring in the French customs unit, is for purposes of the Agreement treated as a part of France. Since the signature of the

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1) See 59th Quarterly Report of the Governing Commission for the third quarter of 1934 (summarised in the Times of 3/12/34).

Agreement on July 29th, 1934, France's trade balance with Germany has, for reasons which have nothing to do with the Saar, swung for the first time from unfavourable to favourable. Hence the francs paid into the clearing office by French (and Saar) importers are insufficient to cover the sums due from it to French (and Saar) exporters. Since the Saar exports far more freely to Germany than does any part of France, Saar exporters have especially suffered.

#### The Issues before the Voters.

Of the three choices which face the voters on January 13th, 1935, all observers agree that one - a pro-French majority - may be discounted. One or two isolated communes on the French frontier may vote in that sense, but since most anti-Nazi formations have advised their members to vote for the status quo even this is doubtful.

Those who vote for either of the other two solutions must face the fact that their economic position will be less favourable than under the present regime.

Incorporation with Germany may not be so detrimental to the Saar's trade as has at times been argued. The question of markets for Saar coal - which under the existing regime is exported almost entirely to France - is in some measure solved by the provision for payment in kind contained in the Rome Agreement. Iron and Steel prospects are not so materially threatened by the change,<sup>1)</sup> and the favourable atmosphere in which the economic negotiations took place in Rome has been attributed by some to the influence of important industrial groups on either side which are anxious to promote mutually advantageous agreements. Business circles, on the other hand, must be prepared for the application of

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1) See The Saar Problem, p. 11-13.

the present German regulations regarding the export of capital and the restriction of foreign exchange and raw materials. In addition to this they must also face the possibility of an internal crisis in Germany.

As far as the "small voter" is concerned the prospect is not so favourable. It is hard to see how he can avoid coming under the German decree of August 30th, 1934 which to all intents and purposes precludes the possibility of employment until the age of 25;<sup>1)</sup> taxation also is higher in Germany than in the Saar, and in addition to this there is the prospect of the levies for the Winterhilfswerke and other objects to which the population of Germany is subject; moreover, in the Saar wages are higher<sup>2)</sup> and the cost of living is by all indications lower than in Germany.<sup>3)</sup>

As against these drawbacks the German population of the Saar will obtain the cultural advantages and the satisfaction to national feeling of the reversion of a German territory to the German Reich, though the Third Reich is not that Reich which many of them knew or would indeed prefer. For

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1) See p. 13 above.

2) According to statistics given in a pamphlet issued by the French Mines Director (see Frankfurter Zeitung 28/10/34):-

a) Crisis wage reductions in the Saar, 6.5% as opposed to 20.30% elsewhere and 22.5% in the Iron and Steel industry.

b) Average wage per shift, frs. 8.50 above the French average, though the hours shorter.

c) Since 1929 decrease of employment in the mines 26% only, as compared with 41% in the Ruhr.

d) Full time worker's monthly average wage for 1934 (January to June) exceeded the 1933 level by 4.9% (counting the fall in the cost of living, by over 6%).

3) Indices of gold prices as published by the town of Saarbrücken until March 1933 (no reason given for their cessation):-

	<u>Germany</u>	<u>Saarbrücken</u>
1929	153.8	129.7
1930	147.3	130.2
1931	135.9	130.2
1932	120.9	124.3
1933 (to March)	116.6	110.0

Between April 1933 and September 1934, according to League figures (Monthly Bulletin of Statistics, November, 1934), the cost of living has risen by 5% in Germany and fallen by nearly 4% in the Saar.

such, a vote for Germany would appear to court gleichschaltung - that is to say, coordination within the framework of the National-Socialist State with the alternative of exile. But apart from political and economic conditions there is the influence of religious conviction and of the Vatican. What strength it may have as a single influence upon the voter is indicated by the recent foundation, in the teeth of intimidation, of the new anti-Nazi but pro-German Church Party whose aims have been referred to above.<sup>1)</sup>

A vote for the status quo, also presents certain economic drawbacks. Since 1925, the Saar as virtually a free trade area has enjoyed, for both exports and imports, advantages on both frontiers. For political reasons it has been fostered both by France (with whom it has, since 1925, been united in a Customs union) and Germany (who has openly offered trade advantages based on calculated assistance and the sacrifice of local interests). Though the privileged connection with France might continue, the German Government could hardly be expected to maintain the preferences granted to the Saar if the inhabitants were to reject reunion with the Fatherland.

The implications of a vote for the status quo are less straightforward; the actual form of possible future government has never been defined; as has been seen, the most that the Committee of Three could do in its report on this subject was to assure the Saarlander - who desires, in particular, more voice in the administration of the territory than is enjoyed by the existing purely advisory Landesrat - that in the event of the international regime in the Saar being continued the League would have the power not only to make changes in the present system of administration, but

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\*1) See p. 16 above.

also in the future to "dispose of its sovereignty" if it thought fit.

Unless he is a convinced Nazi or an ardent supporter of one of the groups pledged to fight for the status quo, the Saar voter is thus faced with a complicated series of arguments for and against the solutions between which he must choose. The individual reactions of the voters may, therefore, play an important part in the final decision. These can be judged only by eye witnesses, and it is of interest to quote the report of one observer:-<sup>1)</sup>

"Roughly speaking, the frontier districts may be expected to vote German with status quo "islands" of various sizes around Dillingen, Saarlouis, Völklingen, Saarbrücken, and Neunkirchen, and throughout the mining area in the valley between these last two towns. Women are generally more in favour of Herr Hitler than men. Creditors tend to be for the status quo and debtors for a change and a clean slate. The post-War generation are more Nazi than their elders, and so on. The greatest single influence on the voters still appears to be that of the Vatican. . . . . After the religious factor, economic considerations are of the first importance. The future of his real wages is prominent in the mind of the Saar workman, who knows that the present situation of the territory as a free trade area has brought him relative prosperity. Experienced business men in the Saar, even those who support Nazism on general grounds, admit in private that no other regime than the present could be so favourable economically. . . . ."

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1) Report by the Special Correspondent of The Times, December 17th, 1934.

CONCLUSION.

As far as the period prior to the plebiscite is concerned the responsibilities of the League Council seem to have been lightened by the decisions taken in December, by the new Franco-German guarantees, and the presence in the Saar of the international force entrusted with the maintenance of order. The immediate danger of trouble appears in this way to have been removed; the future nevertheless still holds its problems. It is true that the prompt acceptance by the German Government of the proposal to despatch the international force temporarily cut the ground from beneath the feet of the extremists of the Deutsche Front; but reports subsequently received show that its leaders, after a temporary check, are concentrating once more on the continuance of direct and indirect pressure on individuals, the spreading of alarmist rumours amongst the population and on efforts to mislead them regarding the intentions of France and the labours of the Committee of Three to define the status quo in such terms as would not be denounced as an attempt to influence the voting. The regrettable incident reported from Saarbrücken on December 16th demonstrated the tension below the surface and the ease with which feelings, rightly or wrongly, may be stirred up. As against this, however, it would appear that in Berlin there is a real desire that the plebiscite should be held in as calm an atmosphere as possible and should pass off without any untoward incident.

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December 17th, 1934.

APPENDIX I

MEMBERSHIP OF COMMITTEES AND COMMISSIONS.

Governing Commission (appointed by League Council:  
mandates renewed for one year as  
from April 1st, 1934)

Mr. Knox, Chairman,	(British)
M. d'Ehrnrooth	(Finnish)
M. Kossmann	(Saarlander)
M. Morize	(French)
M. Zoricic	(Yugoslav)

League Committee of Three (appointed by the Council on  
January 20th, 1934.)

The Representatives of:-

Italy	(Baron Aloisi, Chairman)
Spain	(M. de Madariaga, alternatively M. Lopez Clivan)
Argentina	(M. Cantilo)

Plebiscite Commission (set up in accordance with the  
Council Resolution of June 4th,  
1934. Appointed June 16th, 1934.  
Began work July 1st.)

M. V. Henry	(Swiss)
M. de Jongh	(Dutch)
M. A. Rodhe	(Swedish)

Technical expert and substitute:

Miss S. Wambaugh (U.S. citizen)

Supreme Plebiscite Tribunal (appointed by the President of  
the League Council in accord-  
ance with the resolution of  
June 4th; began work September  
15th.)

President	M. Bindo Galli	(Italian)
Vice President	M. Meredith	(Irish Free State)
Judges	M. Cabral de Moncada	(Portuguese)
	M. L. Goudet	(Swiss)
	M. W.J. Moretti	(Swiss)
	M. J.A.E. Nordenfalk	(Swedish)
	M. Quintano Ripolles	(Spanish)
	M. H. Reimers	(Norwegian)
Examining Magistrate	M. Wester	(Luxemburger)
Public Prosecutor	M. G. Martina	(Italian)



Judges attached to the Divisional Tribunals (appointed by the Governing Commission.)

Saarbrücken Town	M. Straznicky	(Yugoslav)
Saarbrücken District	M. J. Bennich	(Luxemburger)
Saarlouis	M. Reijers	(Dutch)
St. Ingbert	M. Duzmans	(Latvian)
St. Wendel	M. Kruse-Jensen	(Norwegian)
Homburg	M. van der Wijck	(Dutch)
Merzig	M. Junior	(Danish)
Ottweiler	M. J. Berg	(Luxemburger)

Plebiscite Commission: District Inspectors (appointed by the Plebiscite Commission with the Concurrence of the Committee of the Council.)

Saarbrücken Town	M. H. de Pourtales	(Swiss)
Saarbrücken District	M. Brinks	(Dutch)
Saarlouis	Dr. Luescher	(Swiss)
St. Ingbert	M. John Hartigan	(U.S. Citizen)
St. Wendel	M. Zanchi	(Italian)
Homburg	M. Bennewitz	(Dutch)
Merzig	Col. F. Rydeberg	(Swiss)
Ottweiler	-	-

APPENDIX II.

APPROXIMATE PERCENTAGE OF FRENCH PARTICIPATION  
IN THE SAAR IRON AND STEEL INDUSTRY.  
(Figures for September 1934)

A. PRINCIPAL CONCERNS.

Dillingen <sup>1)</sup>	70%	Held by the Aciéries de la Marine et d'Homécourt. Some 30-40% of this holding was reported to be on the market during the autumn of 1934. German holding (Stumm family) retained by K. Bocking.
Halberger Hütte <sup>1)</sup>	70%	Held by Société des Hauts-Fourneaux et Fonderies de Pont-à-Mousson. Balance held by Stumm family.
Burbach	? 10%	Entirely owned by the A.R.B.E.D. a Luxemburg-controlled combine in which Belgian and French interests participate.
Neunkirchen	4%	Held by the Nord et Lorraine Company; other French interests bought out in 1926. Majority owner Otto Wolff; balance held by Stumm family. Some French and some American loan capital of the mortgage type.
Völklingen	nil	Entirely German-owned by Hermann Röchling. Some American loan capital.

B. SECONDARY WORKS.

Aciéries et Usines à Tubes de la Saar (at Bous and Saarbrücken)	60%	
St. Ingbert	?	60-70% belongs to the Luxemburger S.A.D.I.R. combiné in which Aciéries de la Marine et d'Homécourt have an interest (hence connected with Dillingen).
Dingler Karcher	nil	Returned to German ownership by 1929.
Homburger Eisenwerk		Owned by Neunkirchen, q.v.

Other works passed under French control for a time, but have returned to German hands.

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• 1) It should be remembered that in both these cases there were large French holdings before the war, which increased with the introduction of the international regime.

APPENDIX III.

LOANS APPROVED BY THE GOVERNING COMMISSION.

1. City of Saarbrücken Sinking Fund 7½ Gold Loan of 1925: due March 31, 1935. \$3,000,000 authorised; \$159,500 outstanding (Oct. 15, 1933).<sup>1)</sup>
2. City of Saarbrücken Sinking Fund Gold 6% of 1927: due January 1, 1953. \$3,000,000 authorised; \$1,386,000 outstanding (Oct. 15, 1933).<sup>1)</sup>
3. City of Saarbrücken 6% Sterling Loan of 1928: due Oct. 1, 1953, at 101. £1,000,000 authorised; £890,000 outstanding.<sup>1)</sup>
4. Saar Basin Consolidated Counties External 7% Gold Loan of 1925: due March 31, 1935. \$4,000,000 authorised; \$821,500 outstanding (Oct. 15, 1933).<sup>1)</sup>
- 5,6. Saarbrücken Mortgage Bank External Sinking Fund Gold 6%:  
Series A of 1927, due March 1, 1947. \$5,000,000  
authorised; \$737,000 outstanding (Oct. 15, 1933).<sup>1)</sup>  
Series B of 1927, due Oct. 1, 1947. \$5,000,000  
authorised; \$837,000 outstanding (Oct. 15, 1933).<sup>1)</sup>
- 7,8,9. Saarbrücken Mortgage Bank 7% Gold Mortgage Certificates:  
Series I F of 1929, due Jan. 2, 1951. 8,000,000  
French francs authorised and outstanding.<sup>1)</sup>  
Series II F of 1929, due Jan. 2, 1951. 10,000,000  
French francs authorised and outstanding.<sup>1)</sup>  
Series III F of 1929, due Oct. 1, 1949. 10,000,000  
authorised and outstanding.<sup>1)</sup>
10. The Saarbrücken Mortgage Bank has also outstanding an issue of about 3,500,000 French francs Gold Mortgage Certificates
11. The Saarbrücken Mortgage Bank was also authorised by the<sup>2)</sup> Commission to raise a further 20,000,000 Fr. francs in 1929
12. The Banque Générale de Crédit Foncier was authorised to raise 20,000,000 French francs in 1929<sup>2)</sup>.
13. The Saar Valley Tramway Co: was authorised to raise 40,000,000 French francs in 1929<sup>2)</sup>.

The following loan was apparently raised independently of the Commission:-

Saarland Löthringen Elektrizität A.G. 6% of 1928:  
1,200,000 Dutch florins authorised.

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- 1) For further details see Moody: Manual of Investments, Governments and Municipals, 1934.
  - 2) For further details, see the Quarterly Reports of the Governing Commission, League Official Journal, 1929.

APPENDIX IV

Estimates and indications of party strengths.

Landesrat Elections 1928 and 1932.

	1928		1932 (March)	
	Voters	Seats	Voters	Seats
Catholic Centre	129,162	14	156,615	14
Communists	46,541	5	84,112	8
Socialists	43,557	5	35,968	3
National Socialists (Hitler)	-	-	24,455	2
Saar German People's Party	26,230	3	24,152	2
Saar Economic Party	9,154	1	11,591	1
Other	23,780	2	25,738	-
		<u>30</u>		<u>30</u>

Religion: 1927 census: (percentage of population)

Catholic	72.58%
Protestant	25.15%
Jews	0.52%
Other	0.75

Deutsche Front: Figures quoted to the League in a Petition dated May 11th, 1934.

Membership 455,000, "representing 93% of the voters" in the territory.

Einheitsfront: Estimated by Herr Max Braun (July 1934) to represent 30% of the voters. Herr Braun forecast the anti-Nazi vote as follows:-

Socialists and Communists	30%	of the voters
Catholics	20%	" " " "
Saar Separatists	6%	" " " "
Francophiles	4%	" " " "
TOTAL	<u>60%</u>	for the <u>status quo</u> .

ELECTORAL ROLL IN 1935 PLEBISCITE.

Provisional lists published by Plebiscite Commission, 26/ix/1934

Resident in the Territory	532,740
Resident abroad	55,794

Claims subsequently submitted 107,145 (of which 53,698, or just over 50% were declared inadmissible).

APPENDIX V

TREATY OF VERSAILLES: SECTION IV: SAAR BASIN.

Article 45.

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 cedes to France in full and absolute possession, with exclusive rights of exploitation, unencumbered and free from all debts and charges of any kind, the coal-mines situated in the Saar Basin as defined in Article 48

Article 46.

In order to assure the rights and welfare of the population and to guarantee to France complete freedom in working the mines, Germany agrees to the provisions of Chapters I and II of the Annex hereto.

Article 47.

In order to make in due time permanent provision for the government of the Saar Basin in accordance with the wishes of the populations, France and Germany agree to the provisions of Chapter III of the Annex hereto.

Article 48.

(This Article deals with the boundaries of the territory of the Saar Basin.)

Article 49.

Germany renounces in favour of the League of Nations, in the capacity of trustee, the government of the territory defined above.

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.

Article 50.

The stipulations under which the cession of the mines in the Saar Basin shall be carried out, together with the measures intended to guarantee the rights and the well-being of the inhabitants and the government of the territory, as well as the conditions in accordance with which the plebiscite hereinbefore provided for is to be made, are laid down in the Annex hereto. This Annex shall be considered as an integral part of the present Treaty, and Germany declares her adherence to it.

The Annex in question is set out under the following heads:-

- |              |  |
|--------------|--|
| Chapter I.   | Cession and Exploitation of Mining Property, Paragraphs 1 - 15.    |
| Chapter II.  | Government of the Territory of the Saar Basin, Paragraphs 16 - 33. |
| Chapter III. | Plebiscite, Paragraphs 34 - 40.                                    |

