

Statement by Walter Hallstein on the future of the Saar (13 September 1956)

Caption: On 13 September 1956, in a Saarbrücken radio broadcast, the German State Secretary, Walter Hallstein, gives an upbeat evaluation of negotiations between France and Germany on financial and economic issues relating to the Saar Statute.

Source: Bulletin des Presse- und Informationsamtes der Bundesregierung. Hrsg. Presse- und Informationsamt der Bundesregierung. 14.09.1956, Nr. 173. Bonn: Deutscher Bundesverlag. "Volle Einigung bei den Pariser Saarverhandlungen", p. 1659.

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Declaration by Walter Hallstein on the future of the Saar (13 September 1956)

Question:

What is the situation as regards completion of the Saar Treaty after the conclusion of the supplementary negotiations at State Secretary level in Paris?

Answer:

When the two-day negotiations between Maurice Faure and myself ended on Wednesday evening, we had reached full agreement on all areas of the Saar Treaty negotiations to be held at State Secretary level.

Once the group of experts had broadly completed their work over the past weeks on the substance of the Treaty, only a few key issues, which could be clarified only by political decisions, remained to be negotiated in Paris.

The issue of quotas for imports from the Federal Republic of Germany to the Saar during the three-year economic transition period was central to the Paris talks. Goods for investment purposes and consumer goods imports were two separate aspects. In the case of consumer goods, the current quotas will only be raised slightly under the settlement that has been reached. In the past, goods could be imported from the Federal Republic to the Saar to the sum of FRF 3 billion. That amount has been raised by another FRF 500 million.

In the more important area of investment goods, the French side wished the main principle to be that these investments must not have an economic effect during the economic transition period up to 1 January 1960 and, moreover, must not place a burden on the French balance of payments by drawing on foreign exchange to pay the German suppliers. The previous quotas of FRF 2.25 billion a year have been raised by a further FRF 1.5 billion for the first year of the economic transition period and by FRF 1.7 billion for the second year of the economic transition period. No restrictions will be imposed for the third year of the economic transition period. These figures do not include investments for the Saarland mines or for public investment, because they will not have any effect on the economic situation in the Saar until after 1960.

Under the basic principle of economic effectiveness in the Saarland that has been laid down, it will be possible to invest in an increasing number of goods in the last year, with no restrictions remaining. The principle that the payments for these investment goods must not adversely affect the French balance of payments will be respected in that it is expected that the Federal Republic will provide the relevant credit for these goods, which can then be repaid by the Saar after the expiry of the economic transition period and after the currency has been adjusted.

The second important issue the State Secretaries had to clarify concerned the organisation of coal sales and fixing the payment obligations resulting for both sides from the French mining of Warndt coal. It has been agreed to set up an organisation for the sale of Saar coal that will be made up of Germans and French on a parity basis. It will sell coal from both the Saarland and Lorraine. France has also undertaken to purchase 33 % of Saarland coal on a regular basis. For its part, the Federal Republic has undertaken to supply France with equivalent quantities of coal.

With regard to payment for the Warndt coal that France buys outside the 33 % of Saar coal production, it was agreed that the rent of FRF 90 per tonne that France used to pay will no longer be paid (for the 66 million tonnes of Warndt coal) and, moreover, that the equalisation levy payable to the Saarland State, which would now be taking effect, will not apply either. Instead France will buy the 24 million tonnes of Warndt coal mined in the Saarland not at the production price but at the general list price. Furthermore, at the end of the French lease period, the Federal Republic will have no payments to make for mining equipment made for the French in Warndt, but will be able to take over those installations free of charge. This solution clears up a question that would certainly have given rise to many points of dispute and would certainly have kept a court of arbitration very busy.

The State Secretaries did not comment on the currency issue, as it is still the subject of negotiations between the Governor of the Bank of France and the German banker Abs representing the Federal Government. It is a question of the rate of exchange from the Franc to the Deutschmark at the moment when the economic transition period ends and of the number of Franc notes that were given to the Saar at the time of the French currency conversion. It is only when the last chances of reaching agreement at this highest level of experts have been exhausted that the two Foreign Ministers will probably try to resolve these questions. The cultural problems of the Saar Treaty and the question of returning the Röchling works to the Röchling family were also not discussed. They will be considered at a different level.

With regard to this outcome of the two days of negotiation at State Secretary level, it should be noted that it means the whole of the material content of the Saar Treaty has been decided, right down to the financial settlement between the German and the French side. All that remains now is purely editorial, which means that the Treaty can probably be initialled at the end of September. The final signature is due when the Treaty on building the Moselle Canal and the regulation on the Rhein-Seiten-Kanal are also completed. Those three Treaties will then be presented to the Parliaments jointly for ratification.

It needs to be emphasised in this connection that the Saar Government, which accompanied the negotiations with a strong ministerial committee, fully endorsed the settlement reached in Paris. That should bring to an end an important chapter of Franco-German points of dispute over recent decades. In future, the only issues that will be negotiated between the two countries will be matters that really must be resolved at European level, on a basis of parity and in a spirit of friendship.