LEAGUE OF NATIONS

Geneva, July 28th, 1925.

SAAR BASIN

TWENTY-SECOND PERIODICAL REPORT OF THE GOVERNING COMMISSION

(April 1st — June 30th, 1925.)

Note by the Secretary-General:

The Secretary-General has the honour to forward to the Council and the Members of the League for their information the twenty-second periodical Report of the Governing Commission of the Saar Basin for the period April 1st — June 30th, 1925.

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* For the preceding report, see Official Journal, May 1925, pp. 761-775.
The present report gives an account of the position in the Saar Territory and the work of the Governing Commission from April 1st to June 30th, 1925.

On April 1st a change was made in the offices held by the members of the Governing Commission. M. Kossmann, the Saar member of the Commission, agreed to take over the Labour Office (Arbeitsamt), which has hitherto been one of the departments administered by the Chairman of the Governing Commission.

I. ECONOMIC AND SOCIAL SITUATION.

The economic and social situation of the Saar Territory has not undergone any perceptible change during the second quarter of 1925.

The output of the Saar mines was as follows:

<table>
<thead>
<tr>
<th>Month</th>
<th>Output (tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>1,197,449</td>
</tr>
<tr>
<td>May</td>
<td>1,183,781</td>
</tr>
<tr>
<td>June</td>
<td>1,126,220</td>
</tr>
</tbody>
</table>

The working staff of the mines at the end of June numbered 73,500, of whom 54,816 were employed underground.

There was a slight decrease in production owing to the fact that no work was done on a number of days in April and May on account of the difficulty of finding a market for the Saar coal.

For the reasons set out in the preceding report, we have no precise information concerning the production of the metallurgical works; but from the data which it has been possible to obtain it would seem that their production has remained at about the same level as hitherto.

The number of unemployed continues to be low:

<table>
<thead>
<tr>
<th>Month</th>
<th>Unemployed</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>March</td>
<td>1,318</td>
<td>0.69</td>
</tr>
<tr>
<td>April</td>
<td>1,250</td>
<td>0.65</td>
</tr>
<tr>
<td>May</td>
<td>1,327</td>
<td>0.68</td>
</tr>
</tbody>
</table>

The figures for June are not accurately known. They differ very little from those for May.

Unemployment is therefore practically non-existent.

The number of bankruptcies was five in March, five in April and six in May, only undertakings of very small importance being affected.

There have been a certain number of industrial disputes caused by demands for increased wages. It was possible to settle 38 disputes by arbitration or friendly agreement after the intervention of the Arbitration Committee or the Labour Office. Six strikes occurred, affecting a total of 1,667 workmen. Moreover, three establishments employing 7,400 workmen dismissed 438 of their hands. Most of the latter, however, have been able to obtain other employment.

From the above figures and data we are entitled to conclude that the situation in the Saar Territory continues to be normal from an economic point of view.

It should, however, be mentioned that during the last few days of the quarter several symptoms of labour unrest have been apparent, particularly among the miners, who, since April, have been claiming increased wages.

Moreover, industry and trade continue to suffer from the uncertainty which has been a feature of the situation since January 10th, 1925, pending the conclusion of the Franco-German Commercial Treaty, the importance of which for the Saar Territory was pointed out in the last report. The Governing Commission, in reply to an enquiry from the French and German delegations appointed to draw up the clauses of the Treaty concerning the Saar Basin, stated that it was prepared to assume certain responsibilities which the coming into force of the Treaty, now in preparation, will entail.

II. POLITICAL SITUATION.

From the political point of view, the outstanding feature of the second quarter has been the Rhineland Millenary celebrations, which took place in most of the localities of the Territory and particularly in the town of Saarbrück. Certain observations require to be made in this connection.

The Saar Basin is a plebiscite territory. If it is desired to maintain the peace which has reigned there since 1920, and to avoid disturbances which might be prejudicial to its economic life, the Territory must be protected from any political agitation tending to anticipate the date laid down in the Treaty of Peace for ascertaining the wishes of the inhabitants. The preparation of great popular celebrations by a central committee, methodically establishing a network of local committees throughout the whole Territory, and systematic propaganda, provided with powerful financial support and ready to bring pressure to bear if necessary, have shown that the organisation of festivals like those of the Rhineland Millenary is quite incompatible with the peculiar character of the Saar Territory.

The Governing Commission wished to show confidence in the organisers of the festivals. It desired to leave the population free to take part in an historical commemoration which — the Governing Commission was assured — would not be of a provocative nature or hostile to any country. It authorised the holding of these celebrations and the establishment of local
committees. It placed no obstacle in the way of the organisation of concerts in various public places, aquatic sports on the Saar, and illuminations or decorations with flags, subject to the conditions laid down in its decrees, etc. It feels that it displayed a most liberal spirit, regard being had to the special situation of the Territory.

The Governing Commission, however, was determined that the festival should not assume an official character. It did not allow any subsidies to be granted from public funds; it forbade officials to sit on the organisation committees and schools to take part in the celebrations. It prohibited the decoration with flags or otherwise of Government buildings and official quarters. In the interests of public order it forbade the holding of meetings and the organisation of concerts in certain central places in the towns of the Territory. The speeches to be made at the various ceremonies, and the songs and music which it was intended to perform, had to be submitted to the police authorities. Finally, in view of the dangers to public order which might result from large numbers of demonstrators moving about in the streets at night, the Governing Commission refused to authorise a torch-light procession in the town of Saarbrück.

Precautions were taken to ensure public order. The responsibility for maintaining order lay with the gendarmerie or local police. Moreover, the forces at the disposal of the Governing Commission were confined to barracks, although as a matter of fact no reinforcements were called for.

The Governing Commission was entitled to hope that its liberal attitude would be appreciated. But although no serious incident occurred, its instructions were in many cases disregarded, and a torch-light procession consisting of 40,000 persons marched through the streets of Saarbruck. Flags were flown of colours forbidden by police order, and the Governing Commission noted with regret that the favourable attitude it had adopted was not appreciated. The Press and certain speakers in the Advisory Council even took pains to point out the large number of cases in which its decisions had been disregarded and its authority flouted. They complained to the Governing Commission of the precautions which had been taken, and by their comments they incited the inhabitants to refuse to obey the Commission's orders in the future.

In placing its confidence in the organisers of the festival, in spite of the serious objections raised by the very nature of the commemoration, the Governing Commission was making an experiment. The disregard of its decisions and the manner in which the Press thought fit to interpret its attitude, occurring in a plebiscite territory, have provided a lesson which the Governing Commission will have to bear in mind in the future.

The Socialist workmen celebrated their festival on May 1st in the usual manner. No incident was reported.

The Advisory Council, which had closed its session at the beginning of April, was convened at the end of the quarter. Some ten draft decrees are on the agenda of this new session. The most important are those concerning social insurance and the application in the Saar Territory of the provisions contained in the international conventions concluded at Berne concerning the carriage of passengers and goods by rail, and at Stockholm concerning postal traffic.

III. ADMINISTRATIVE ACTIVITY.

1. GENERAL ADMINISTRATION.

(a) Development of the Local Gendarmerie.

The local gendarmerie was increased during the quarter by 62. The number of gendarmes is therefore 817.

The execution of the scheme approved by the Council of the League of Nations is thus proceeding on normal lines.

(b) Questions concerning Travelling Facilities.

With a view to improving travelling facilities between the Saar Territory and Germany (occupied or otherwise) and with a view to meeting a desire expressed by the inhabitants, the Governing Commission, on April 16th, 1925, issued a decree laying down that henceforth any person in possession of identity papers might freely enter the Territory without previous authorisation, provided he reported himself to the local police authorities within three days. This new regulation does not in any way modify the system obtaining in respect of the entry of foreign workmen into the Territory.

Moreover, at the request of the Governing Commission, the French Government agreed that the inhabitants of the Saar Territory might, until further notice, obtain on their Saar identity cards a visa allowing them to travel freely in France for one year.

This new system was confirmed by a decree of June 3rd, 1925.
The French Government also agreed that drivers' licences and Saar grey cards should have the same value in France as similar documents issued by the French authorities, so that at present Saar motor-cars may freely travel in French territory without any formalities.

During the last quarter of the year the Traffic Department issued:

- 17,000 permits of entry,
- 7,500 red identity cards,
- 3,240 frontier passes,
- 753 permits for permanent residence,
- 15,500 safe-conducts for France,
- 7,400 Saar passports,
- 448 drivers' licences.

During the same period 573 additional motor vehicles were registered.

(c) Measures relating to Officials.

Once again the Governing Commission has been notified of the claims of officials, who are requesting an increase in salary. Certain officials had even thought fit to take legal proceedings for this purpose. They were non-suited in second instance.

The Governing Commission has raised all salaries as from April 1st, 1925, taking lower-grade officials into particular account. In order to mark the interest which it takes in large families, it has also raised the bonuses for fathers of families by 25 per cent as from the second child, and 50 per cent as from the third child. Finally, it has granted increased wages to Government workmen.

These reforms will involve an additional annual expenditure of something like 30 million francs.

(d) Reform of Communal Finances.

The application of the fiscal reform measures introduced in the Territory by the Governing Commission at the end of 1923 has had a good effect on the financial situation of the communes. Thanks to the measures taken by the supervisory authorities, the municipalities have been able to meet the expenditure for the year 1924 out of the fiscal receipts derived from the collection of ordinary “additional centimes”. The only difficulties have occurred in localities — mainly large towns and industrial areas — whose finances were in none too stable a condition owing to their commitments in former years. But the Governing Commission, desiring to bring to a satisfactory conclusion the work which it had undertaken of restoring communal finances, converted into subsidies the advances which the General Fund of the Territory had made to certain communes. In these circumstances the municipal administrations commence the financial year 1925-1926 without any commitments left over from preceding years. Thanks to the steps taken by the central authorities, they have an assurance that communal finances will be administered on a normal and sound basis in the future.

Moreover, a special committee set up to consider the question of loans to be contracted by the Kreise and communes of the Territory (with the exception of Sarrbruck Town), which have been formed for this purpose into an inter-communal association, has submitted its report to the Government Commission, and the latter at its meeting on June 30th, 1925, gave its approval to the provisional contract concluded between the inter-communal association and the Ames Emmerich Consortium concerning the floating of a ten-years loan of 4 million dollars nominal, bearing interest at 7 per cent, to be issued at 87 and repayable at 102.

This loan will be used in the first place to repay all the debts in francs which have already been contracted by Kreise and communes and to carry out, after the Governing Commission has given its approval, important works which the local authorities propose to execute.

(e) Legislation concerning Rents.

As the promulgation of a new decree in connection with dwellings and rents is subject to the opinion of the elected representatives of the population, and as this opinion cannot be obtained before next autumn, the member of the Governing Commission in charge of the Department of the Interior, availing himself of the right conferred on him by Article 2 of the Decree of June 10th, 1924, has, by agreement with the Governing Commission, prolonged for three months the duration of the period during which the decree concerning dwellings shall apply.

2. Finance.

(a) Income-Tax.

The income-tax assessment for the financial year 1923, established for the first time on the basis of the franc, has been completed with some delay owing to the changes made in the fiscal laws.

The Governing Commission, taking into account the economic situation of the Territory, has decided to accord facilities of payment to taxpayers in paying their taxes for the financial years 1923 and 1924, and also advances for the financial year 1925.
(b) Tax on Capital.

With a view to encouraging building, the Governing Commission has decided, in assessing the tax on capital for the period 1923 to 1925, to fix the value of new property not subject to the restrictions on immovable property on the basis of the average pre-war yield of similar buildings.

3. PUBLIC WORKS.

(a) Railways.

The traffic with Germany, which had fallen off during the period subsequent to January 10th, 1925, the date of the full coming into force in the Saar Territory of the French Customs regime, has since recovered, and during the second quarter this progress has been maintained. In order to make it possible for Saar industry to retain and develop its external markets, the measures already taken have been supplemented by the putting into force on June 25th of the common tariff with France, No. 214, concerning metallurgical products.

The access to the Rhine ports of Saar metallurgical products destined for exportation has been facilitated by the putting into force on May 16th of a special German tariff, D. 200. On May 1st goods rates were increased by 7 per cent; even so, they are lower than the rates in neighbouring countries.

As a corollary to this measure, passenger fares were increased on June 16th. The average increase is 11 per cent, and does not affect the temporary cards issued to workmen. The rates are distinctly lower than those in Germany.

These two increases were made in order to meet part of the expenditure involved by the raising of salaries and wages.

The Customs stations of Merzig, St. Wendel and other stations of smaller importance have commenced operations.

As regards the large station at Homburg, the main constructional work was completed five months before the appointed date. This gain of time will be maintained in the completion of the whole edifice, and the station can be opened for traffic before the winter.

(b) Posts and Telegraphs.

In view of the revision by the Stockholm Congress in 1924 of the instruments of the Universal Postal Union concluded at the Madrid Congress of 1920, the Saar Administration has taken steps to give effect to the new provisions of those instruments, which are to come into force internationally on October 1st, 1925.

The improvements foreshadowed in the preceding reports in the matter of the local and external telephonic communications of the Saar Territory — improvements which were called for by the increase in traffic and in the number of subscribers connected with the Saar public system — have been partially effected. The telephone receipts have increased in consequence by about 25 per cent over the receipts for the last quarter of 1921.

The traffic in postal remittances between Germany and the Saar Territory, which was reintroduced on April 1st, 1925, has developed very satisfactorily. Since that date the service has also been reintroduced with other countries. The Saar Administration is now making every endeavour to extend this service to all countries where the monetary and exchange situation seems to justify its re-establishment.

(c) Public Works.

The following are the shipping figures for the first quarter of 1925:

<table>
<thead>
<tr>
<th></th>
<th>Tonnage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upstream</td>
<td>163,702.35 tons</td>
</tr>
<tr>
<td>Downstream</td>
<td>128,598.6</td>
</tr>
</tbody>
</table>

As against the following figures for the first quarter of 1924:

<table>
<thead>
<tr>
<th></th>
<th>Tonnage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upstream</td>
<td>97,756.5 tons</td>
</tr>
<tr>
<td>Downstream</td>
<td>60,338.5</td>
</tr>
</tbody>
</table>

The Public Buildings Services have displayed much activity in building houses for the Customs officials on the northern frontier.

The Roads Department has carried out a large part of its annual upkeep work and has begun on a portion of its programme of construction, which will considerably improve the state of the roads.

After a long study of local conditions and of traffic development on the main roads, and after considering what financial methods would be compatible with the capacity of the Saar Treasury, the Public Works Department has drawn up a scheme for the development of the roads system, which is to be carried out within six years. The technical side of this scheme has been approved by the Governing Commission, while the financial arrangements are to be discussed with the Finance and Interior Departments. As we have already stated, a portion of the scheme is now under way. Its features are as follows:
1. The principal main roads are to be paved with small high-grade setts or to be tarred. These roads are:

- Saarbrück to Neunkirchen and St. Wendel;
- Saarbrück to St. Ingbert and Homburg;
- Saarbrück to the French frontier near Saarguemines;
- Saarbrück to the French frontier near Forbach;
- Saarbrück to Völklingen and Saarlouis;
- Wehrden to Saarlouis.

By the end of this year, the roads from Saarbrück to Saarguemines, Saarbrück to Saarlouis via Völklingen, Wehrden to Saarlouis, and Saarbrück to St. Ingbert will be paved throughout.

2. The following roads, which were formerly under the Kreise Administration but which are no longer kept up to a degree consonant with the importance which they have acquired as traffic routes, will be taken over by the State:

- St. Ingbert to Merschweiler;
- Eschringen to Assweiler;
- Neunkirchen to Fürth and Merschweiler;
- Geislautern to Lauterbach;
- Hilbringen to Rehlingen.

3. The road from Sarrbrück to Merschweiler, which runs through the important mining valley of the Fischbach, will be entirely reconstructed and taken over by the Government.

4. The road from Saarbrück to Völklingen along the left bank of the Saar will be reconstructed and taken over by the Government.

5. The road from Saarbrück to Bildstock (near Neunkirchen) will be duplicated by the construction of a new road following the line of an ancient Roman road along the ridge between the Sulzbach and Fischbach valleys; this road will be reserved for fast motor traffic.

When this programme has been carried out, the Saar Territory, as far as its internal communications are concerned, will have a road system equal to the requirements of modern traffic. By that time the study of means of improving the portions of international main roads which run through the Saar will be completed.

4. COMMERCE, LABOUR AND SOCIAL INSURANCE.

(a) Commerce.

The work of the Department has been entirely devoted to the questions mentioned in the first part of this report.

The Department has negotiated with the parties concerned in regard to sanitary inspection and the inspection of foodstuffs, with a view to adjusting the special Customs of the Territory to the situation set up by its incorporation in the French Customs area. A certain number of decrees and orders have accordingly been issued by agreement with the Saarbrück Chamber of Commerce and the Franco-Saar Chamber of Commerce.

In the endeavour to reconcile the needs of consumers in the Saar with the protection of local industry, the Governing Commission has issued a decree introducing a moderate system of import rationing with regard to matches.

The other measures which have been taken relate to milk and vinegar, regulations concerning the weight of goods, and rebates of import duty on cereals for making bread.

The Clearing Office established in the Saar Territory in application of Articles 296 and 72 of the Treaty of Peace of Versailles has begun work on a regular footing. A decree regulating its activities has been issued, and the first debts have already been recovered.

(b) Labour.

The Labour Department has devoted its attention to the peaceful settlement of the disputes enumerated in the first part of this report and to the drafting of certain social laws.

(c) Mining Control.

The following table gives the number of accidents in the Saar coal mines and the number of enquiries carried out by officials of the Mining Control Organisation in the second quarter of 1925.
As regards the results of the accidents which took place during the second quarter, we found that:

- 91.41 per cent of the persons injured were incapacitated for less than four weeks;
- 7.84 per cent for a period of from four to thirteen weeks;
- 0.40 per cent for more than thirteen weeks;
- 0.35 per cent of the accidents proved fatal.

Social Insurance.

The Social Insurance Department has investigated, with reference to the possibility of applying them to the Saar Territory, the laws and regulations on social insurance which have been issued in the Reich during this period. More particularly it has been engaged in preliminary work with a view to the introduction of the following orders and decrees:

1. Order concerning the raising of the limit and of the basic wages in sickness insurance. By this order, as from April 1st, 1925, the limit of wages was raised from 10,000 to 12,000 francs, and the basic wages from 9 to 12 francs.

2. Order concerning transfer from a non-insured to an insured occupation and vice versa. This order contains provisions dealing with the payment and refund of contributions in the case of transfer from a non-insured to an insured occupation and vice versa.

3. Decree concerning allowances to indigent women during confinement. This decree raises from 1,500 and 150 francs to 2,700 and 300 francs respectively, as from April 1st, 1925, the annual income up to which women are entitled on the ground of indigence to allowances during confinement.

4. Decree concerning the fixing of caution money payable in respect of law-suits to the chief insurance offices and to the Mixed Chambers. By this decree the deposit to be paid to the chief insurance offices by the insurance organisations was raised from 18 to 25 francs as from April 1st, 1925. The insurance organisations are also required to pay a deposit of 25 francs in respect of every law-suit to the Mixed Chambers.

A certain number of enactments have also been submitted to the elected representatives of the population. These are as follows:

1. An order concerning the method of calculating disability pensions when their holders cease to reside in the Saar Territory. Under this order, pensions due to persons leaving the Saar Territory are to be calculated on the same basis as pensions for inhabitants of the Territory, but without the cost-of-living allowance or State supplement. In accordance with the Frankfurt Protocol, the two latter allowances are payable by the country in which the pensioner resides.

2. An order concerning the amendment of the law on the insurance of employees and the Imperial Insurance Code. The object of this order is to change the categories of wages and contributions and to increase the limit of insurance and the benefits so far as concerns the insurance of employees. It also provides for the introduction of mixed insurance (Wanderversicherung), for which the parties in the Advisory Council have long been pressing.

3. An important order concerning the amendment of the Prussian law on mining insurance funds dated June 17th, 1912 (P.R.G.). This order simplifies mining insurance, increases the contributions and benefits, and amalgamates the mining insurance funds of Frankenholz and St. Ingbert with the Saarbrück mining insurance fund.

An arrangement has also been made between the Strasburg General Office and the Social Insurance Department at Saarbrück for the payment of benefits due from insurance organisations in the Saar Territory at French post offices and vice versa. The various enactments enumerated above, already promulgated or in preparation, illustrate the efforts made by the Governing Commission to improve the position of persons entitled to social insurance benefits.
5. Public Relief and Social Hygiene.

(a) Public Relief.

The regulations for public relief have been codified in an order promulgated after consultation with the elected representatives of the population. This order provides a complete legal foundation for all public relief work in the Saar Territory.

130,000 francs have been expended on special relief for the needy, and on the purchase of firewood and the carriage of the coal placed at the disposal of the Governing Commission by the Administration of the French State mines.

(b) Relief for Disabled Service Men.

Disabled men in the Saar Territory, as in Germany, have been granted a retrospective increase of 3 per cent in their pensions and other allowances as from April 1st, 1925.

The usual relief has been granted to disabled men in the form of monthly or special allowances, amounting to nearly 410,000 francs.

The Labour Exchange for seriously disabled men has provided remunerative employment for 55 persons.

(c) Social Hygiene.

Five new dispensaries have been established in rural districts to improve the supply of medicines to the public.

Health conditions among the population have been satisfactory. A small epidemic of encephalitis lethargica broke out in the Kreis of Saarlouis, but steps were immediately taken and the epidemic was localised and brought to a standstill in a few days.

6. Agriculture.

The Governing Commission has decided to place 1,000,000 francs at the disposal of farmers in the form of a repayable loan.

The state of the crops is satisfactory. Steps have been taken to deal with an epidemic of potato disease which has broken out in the Kreis of St. Ingbert.

In regard to epizootic diseases there is nothing unusual to report.

CONCLUSION.

From the economic point of view, the second quarter of 1925 has been a period of marking time; the situation created by the integral establishment of the French Customs system at the frontier between the Saar Territory and Germany on January 10th, 1925, remains unchanged.

Towards the end of June, however, certain symptoms of unrest became perceptible; these are not unconnected with the use made of the Rhineland Millenary celebrations as a weapon against the Governing Commission's authority, and their consequences are already being felt in industry.

(Signed) V. Rault.