

worst possible timing suggest this act represents a deliberate effort, on part of French to sabotage or delay creation of EDC.<sup>2</sup>

Hallstein charged administration of Saar with violations of rights of inhabitants to express political opinions and claimed law which prohibits formulation of political parties unless approved by Hoffman [sic] (that is to say Grandval) was as anti-democratic as any practices in Soviet zone. He said only recourse from arbitrary decision of Saar Gov[ernmen]t was appeal to an administrative court which, however, does not act. Two applications have been pending before this court for months. Hallstein suggests if Germans could receive assurances that free elections would be permitted in Saar and objectionable features of this law eliminated this would to some extent compensate for Grandval appointment and give German people some guarantee that *status quo* has not been changed. Mere statements to this effect are not enough.

Most serious aspect of situation, however, is that Bundestag debate which Chancellor has now decided cannot be postponed from February 7 because of pressure all factions will take place in embittered atmosphere. Unless Chancellor can point to some definite action on part of France confirming its declaration that nothing in present status of Saar has been modified, it is most unlikely government can secure majority for EDC in the debate. In this case it would be forced either to abandon defense contribution and contractual relations or to resign and be replaced by SPD-controlled gov[ernmen]t.

According to Hallstein, this view is shared by all leaders of coalition and it has been confirmed to us by other conversations, notably one I had with Erhard last night. He is usually collected and objective but was greatly disturbed over this development. Do not wish to be alarmist but seriousness of present crisis should not be minimized even though in part it has undoubtedly been created by local political considerations. I am for first time really worried over outcome.

Hallstein said Cabinet had yesterday discussed possible ways out and had come unanimously to conclusion situation could only be saved if prior to Bundestag debate French would either agree to bring about amendment of law limiting political freedom of parties in Saar or take some similar concrete action recognizing legitimate rights of German population. Such action would not prejudice ultimate Saar settlement and could be accompanied by formal French and German declaration reiterating that final status of Saar territory can only be established in peace treaty or by earlier agreement mutually acceptable. Hallstein said purpose of this visit was to bespeak on behalf of Chancellor our urgent intervention to save EDC and our good offices in obtaining some such agreement from French.

I told Hallstein I sincerely believed that as long as Saar question remained unsettled it would rise to trouble us every time we sought agreements on far more important

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<sup>2</sup> European Defense Community.