

Franco-German problems

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At the end of the war, [France](#) was seriously concerned about its own security and economic prosperity. At the same time, it realised the extent to which its future depended upon the domestic situation in Germany. The German regions of the [Saar](#) and the [Ruhr](#), occupied by France under the war reparations scheme, were amongst the richest and most productive coalfields in Europe. Their strategic significance also derived from the fact that the coal and steel produced in the Benelux countries was still being used first and foremost to meet domestic demand.

The situation was not made easier by the existence of cartels. Despite [Allied bombing and destruction on a large scale](#), Germany's industry was able to sustain levels of production that were almost equal to pre-war levels. Furthermore, the considerable economic assistance that West Germany received under the [Marshall Plan](#) allowed it to reduce its trade deficit and establish a new monetary system. For the Western Powers, the rebirth of capitalism in Germany was seen as an effective bulwark against Communism. This period witnessed a gradual revival of the cartels, consisting of groupings of the biggest German companies that sought, through the use of single sales agencies, to control the domestic market and undermine competition. But the Allies viewed these coal and steel cartels as the relics of the *Konzerne* which, during the inter-war period, had helped to generate the Third Reich's capacity for destruction. France also realised that its industries could not compete on an equal footing with the German cartels. Accordingly, [control of the coalfields](#) and the [break-up of monopolies](#) in heavy industry became a critical factor in post-war Franco-German relations and an unavoidable precondition of European integration. If peace and prosperity were to be guaranteed across the continent, the question of the Ruhr and the Saar could be resolved only by peaceful means. A solution at European level was the only way to ensure lasting peace.

At the same time, [Konrad Adenauer](#), the German Chancellor, wanted West Germany to regain complete territorial sovereignty, and he made repeated public statements in favour of a Franco-German union. In November 1949, he went so far as to propose a [plan for a merger of Franco-German](#) heavy industry and gave his support to the creation of an international body to control the mining and industrial regions of Germany, Belgium and France. The Chancellor hoped that this would serve as a lever with which to resolve the problem of the Saar and the Ruhr in a peaceful way, placing them in a broader [European framework](#) based on the recognition of Germany's equal rights alongside all its partners.

Because of its position of political and military weakness, the Federal Republic of Germany had everything to gain from a form of European unity that aroused hopes of sanctions being relaxed and equal rights established. The establishment of a [High Authority for coal and steel](#) would therefore put an end to Germany's inferior status, since it meant that the other partner countries also accepted a system of control that was supranational in character.