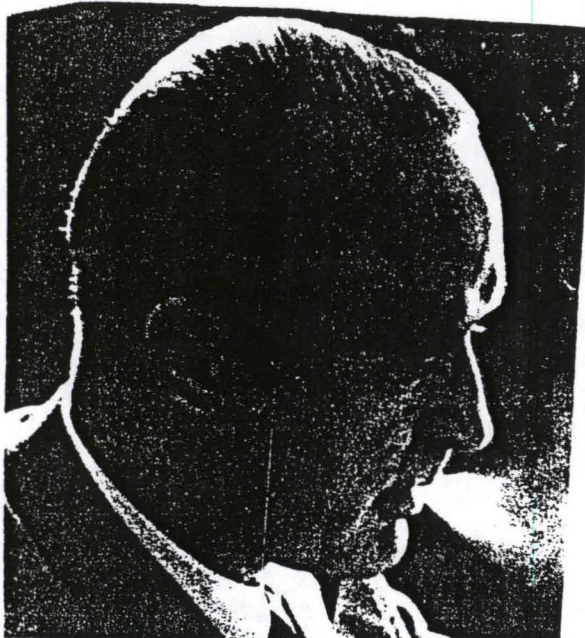


ORIGINAL PHOTOS CAN BE OBTAINED BY CALLING IP/CFS

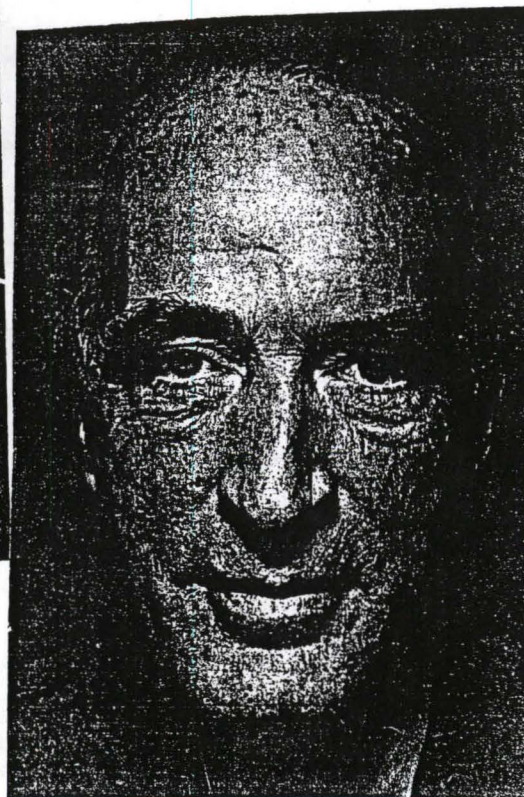
Multi dated



GERMANY
KRUPP VON BOHLEN UND HALBACH, ALFRIED
INDUSTRIALIST.
CONFIDENTIAL
CIA-P-52421

GERMANY
KRUPP VON BOHLEN UND HALBACH, ALFRIED.
INDUSTRIALIST.
CONFIDENTIAL
CIA-P-52421

RESTRICTED COPY



1954

GERMANY
KRUPP, MRS. WIFE OF ALFRIED
KRUPP.
CONFIDENTIAL
CIA-P-52421

Im Eisener Turmhaus bemüht man sich zur Zeit sehr um die Ausweitung des Ostgeschäfts. „Wenn wir uns nicht tummeln“, meint Beitz, „gehen die Aufträge an die Konkurrenz — so oder so. Die Russen bemühen sich sehr, mit dem westlichen Ausland ins Geschäft zu kommen.“ Die Krupp-Leute hatten nicht den Eindruck, daß sich die Sowjets bei ihren Geschäften um Ideologie scheren. Außer ihnen waren noch schwedische, englische und französische Handelsmissionen im Land. Bis heute haben die Russen für die Kruppischen Lieferungen bereits sechzehn Millionen Mark in bar bezahlt. Hans Kallen, der Leiter der



Alfred Krupp, hier bei der Besichtigung der Eisenerzgruben an der Ungava Bay in Quebec (Kanada). In seiner Begleitung Cyrus Eaton Jr. (rechts), der Sohn eines bekannten kanadischen Industriellen. (Bild: dpa)

Zentralabteilung Technik, sagt: „Wir haben natürlich versucht, Nägel für neue Geschäfte einzuschlagen.“

Während Krupp vor aller Augen seine Fühler nach Osten streckt, erweitert er im stillen seine Basis an der Ruhr.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2001

NAZI WAR CRIMES DISCLOSURE ACT

BEST AVAILABLE COPY

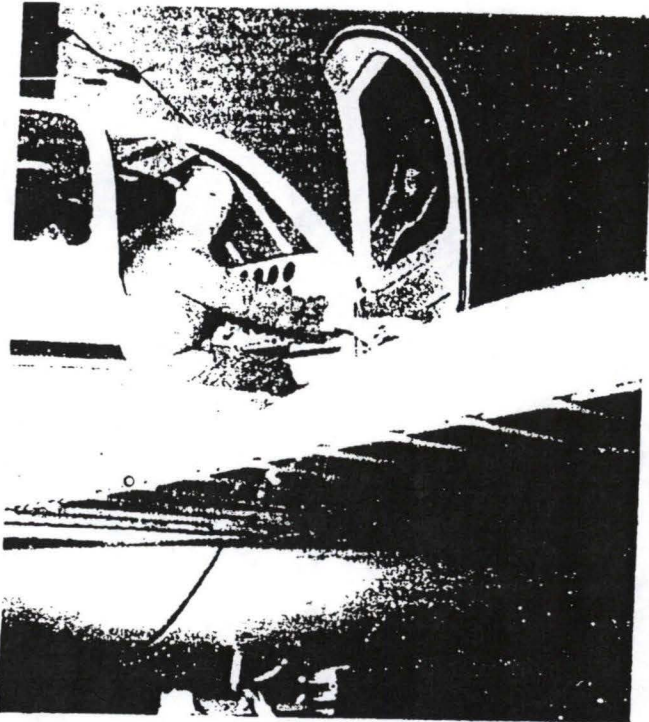
Es geht nicht nur um Krupp /

Beitrag zur Diskussion über die Gemeinsamen Märkte

Wann wird der Pariser Vertrag... Die deutsche Industrie... Krupp... Die deutsche Industrie... Krupp... Die deutsche Industrie... Krupp...

Die deutsche Industrie... Krupp... Die deutsche Industrie... Krupp... Die deutsche Industrie... Krupp...

Die deutsche Industrie... Krupp... Die deutsche Industrie... Krupp... Die deutsche Industrie... Krupp...



Für seine frühen Reisen benutzt Krupp meist sein Privatflugzeug

DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCES METHODS EXEMPTION 3B2B NAZI WAR CRIMES DISCLOSURE ACT DATE 2001 2008

Die deutsche Industrie... Krupp... Die deutsche Industrie... Krupp... Die deutsche Industrie... Krupp...

Die deutsche Industrie... Krupp... Die deutsche Industrie... Krupp... Die deutsche Industrie... Krupp...

Die rechtliche Lage

„Le Monde“ übersieht aber auch die rechtliche Lage. Bis zum Mai 1955 waren die Alliierten selbst de facto und de jure für die Durchführung verantwortlich. Alles, was geschehen ist, geschah über ihre Anordnung oder mit ihrer Zustimmung. Und darüber ist alles durch die Hände der Montanunion gegangen, von der es im ersten Teil, Artikel 9, Absatz 3 des Pariser Vertrages über Kriegs- und Besatzungsfragen ausdrücklich heißt, daß seine Bestimmungen nicht den Erweiterungen und Zusammenschlüssen entgegenstehen, die von der Montanunion im deutschen Kohlenbergbau und der Eisen- und Stahlindustrie gebilligt wurden; Krupp selbst hatte sich jedoch nicht hinter der Montanunion verschaut, um von dort die Genehmigung zur Nichtentflechtung seines letzten Güterbesitzes zu bekommen — darum das Ansinnen des Bundeskanzlers.

Im Artikel 10, Absatz 1 des Pariser Vertrages heißt es weiter, daß über Antrag der drei Partnermächte bei der Bundesregierung ein Sachverständigen-Ausschuß zu bilden ist, der über Anträge auf Verlängerung der Verkaufsfristen zu befinden hat. Es lag also bei den drei Mächten, durch Beauftragung dieses Ausschusses auf solche Verlängerungen Einfluß zu nehmen. Wenn „Le Monde“ diesbezüglich besorgt ist, so muß er sich an seine eigene Regierung halten.

Man könnte jedoch im Augenblick, da der Artikel erschien, schon gewiß sein, daß er einen bestimmten politischen Hintergrund habe — die bevorstehende Ratifizierung des Gemeinsamen Marktes. Und dies würde um so klarer durch die Art, wie die übrige Presse einfiel. Wenige Tage darauf ließ „L'Express“ mit einem noch größeren Aufsatz in dieselbe Kerbe. Die übrige Presse griff es auf. Nur von der Regierung selbst dürfte man keine Stellungnahme erwarten. Sie war gestürzt.

Dann sah aber in London der britische Außenminister Selwyn Lloyd am 27. Mai eine offizielle Erklärung zu dem Antrag der Bonner Bundesregierung. Seine Regierung habe daraufhin nähere Auskunft über die Art dieser Schwierigkeiten und über die bisherige Durchführung der Entflechtung erbeten. Erst dann wolle sie die Frage mit den anderen Partnern erörtern. Seinen das klingt nicht sehr optimistisch

er dafür eintrat, Großbritanien in die geplanten europäischen Freihandelszone beitreten, da Deutschland im Gemeinsamen Markt Europas sein Ziel in die Hand bekommen. Die sechs westeuropäischen Kontrollmächte hätten es nicht auch ohne militärische Unterstützung abgelehnt — in Bonn und Lüttich einen Vertrag zur europäischen Einigung mitgeschworen, der genau das enthalte, was Großbritannien seit Jahrzehnten schon für unverzichtbar mit seiner Sicherheit gehalten habe. Das Risiko dieser Entscheidung wäre nur zu verhindern, wenn sich Großbritannien nun selbst davon löst und gleichzeitig in die Fährten tritt.

Englands halber Weg

Das ist in einer Tonart gesprochen, wie man vielleicht unter Briten, nicht aber unter Verwandten zu erwarten pflegt. Deutschland zeigte sich nach dem Weltkrieg ja nicht als schuldlos. Vorherer. Es war durch den Krieg, seine Konsequenzen zu tragen. Es war London, das sich beharrlich weigerte, um Entschädigung die erste Geige zu übernehmen, die man ihm anbot. Sollte sich daran, um etwas ändern? Bisher hat man nur das eine erfahren, daß England immer noch ein Teil im Toten den halben Weg zu Brüssel hat, den das kontinentale Westeuropa bei seiner Einigung schon zurückgenommen hat.

Aber nun muß England nicht genauso wie alle anderen nach vorantreiben, daß die

das auch für sich selber einseht, um so besser.

Und hier kommen wir nun wieder auf Krupp und die deutsche Entflechtung. Deutschland hat seinen Alliierten und europäischen Partnern in die ein und im vergangenen Jahr allein schon eine ganze Reihe von Verständnissbeweisen geliefert. Die nun nicht leicht finden. Frankreich zog unter dem Druck seiner nordatlantischen Konflikte aus Deutschland Truppen ab, die es dort zu unterhalten durch die NATO verpflichtet war. Trotzdem blieb Deutschland nichts übrig, als diese Schwächung seiner Souveränität als zwangsläufige Tatsache hinzunehmen und Frankreich aus seiner Pflicht teilweise zu erlassen. Genau dasselbe ging auch mit England vor sich. Nur handelte dieses nicht unter dem Druck eines Krieges, als es seine Rüstungsmaschinen schweißte, sondern es tat das aus purer Sparsamkeit um um auch bei beschränkten Mitteln seinem Atom-Energie nachzugehen. Und Deutschland stimmte nicht nur zu, England aus diesen Verpflichtungen zu entlassen, sondern es bestand ihm auch noch Stationierungskosten zu, die im keinem Vertrage festgelegt waren. Es hat seine Pläne aus dem Nachkriegsschuldensankommen für zehn Jahre im Voraus bezahlt. Sowohl England wie Frankreich stützen in Sizilien einen Konventen mit ihren Verbänden gesucht zu haben, wie sie dazu verpflichtet waren. Man nahm es hin.

Es handelt sich also bei dem deutschen Ansinnen um Verständnis für die Schwierigkeiten

rigkeiten in der letzten Phase der Krupp-Entflechtung keineswegs um das erste Verständnis, das einem Partner der Westverträge gewährt werden soll. Der Unterschied gegenüber früheren Fällen liegt nur darin, daß Deutschland keine vollzogenen Tatsachen schafft, sondern bereits mehr als ein Jahr vor dem Ablauf der ursprünglichen Frist um Verständnis in diesem Punkt ersucht. Der Unterschied liegt auch darin, daß ein solches Verständnis die Sicherheit seiner NATO-Verbündeten in keiner Weise bedroht.

Blick auf die Montanunion

Wir sind hier nicht die bestellten Anwälte Krupps. Wir halten es auch für durchwegs sinnvoll, die Frage nach der besten Struktur der Schwerindustrie zu stellen. Wir haben grundsätzlich nichts dagegen, dergleichen Dinge im europäischen Rahmen zu diskutieren. Aber nun gibt es ja gerade für Kohle und Stahl einen europäischen Rahmen wie für kein anderes Gebiet: das ist die Montanunion. Unter ihrer Aufsicht und mit ihrer Kenntnis hat sich auch alles abgespielt, was nun mit solchem Eklat in die Welt posaunt wird. Nur denkt man in Luxemburg mehr in europäischen Zusammenhängen und Kategorien als in den westlichen Redaktionen, die so gerne die alten nationalen Ressenti-

ments erwecken. Entweder man sieht Deutschland als Verbündeten und als Partner der kommenden Einigung an, dann muß man auch seine Entwicklung als eigenes Interesse, zumindest mit Verständnis, betrachten. Man kann nicht die Reste des alten Diktats, die in den Pariser Verträgen noch lagen, verewigen. Am schlimmsten ist es jedoch, wenn England seine Politik noch immer unter dem Gesichtspunkt einer politischen Ausschaltung wirtschaftlicher Konkurrenz macht. Das war schon der Erklärung zu entnehmen, die der damalige britische Außenminister Eden im Oktober 1952 über die amerikanische Aufhebung der Kriegsurteile gegen Krupp abgab. Dasselbe kann man aber auch heute den neuen Erklärungen unterlegen, die nun in London gegen Krupp abgegeben wurden, der gerade in diesen Tagen große Aufträge aus der Türkei heimbrachte. Das Klima der Konkurrenz oder gar der alten sinnlosen Demontagen kann nicht das des gemeinsamen Aufbaus sein. Mr. Eccles selbst bescheinigt in seiner Rede dem deutschen Bundeskanzler, daß er keine Vorherrschaft in Europa anstrebe, die Tendenzen dazu auch kenne, fürchte und ablehne. Wenn also die Bundesregierung nun wohlüberlegt im Hinblick auf die europäische Entwicklung einmal ihrerseits einen Antrag stellt, dann müßte sie dabei ein ähnliches Verständnis finden, wie sie es den anderen so oft bewiesen hat. Uns schwebt ein verlässlicherer Weg Deutschlands nach Europa vor als der der Siegerdiktate. Auf diesem Weg wird Krupp kein Hindernis sein. Wir wollen hoffen, daß uns nicht in Paris und London Hindernisse in den Weg gelegt werden, die nicht nur für Krupp bestimmt sind, sondern für jenen Gemeinsamen Europäischen Markt, dessen Ratifikationen noch ausstehen. E. T.

KRUPP (Essen) and BROWN BOVERI CO have developed the first German atomic reactor of a design which varies entirely from the American and English types. It is a homogeneous, gas-cooled, graphite moderated uranium-elements-fed type which offers greater safety and yet is capable of producing higher temperatures than all other commercial designs (steam 525°C). It can be easily converted for thorium elements.

The advantages of this new reactor has convinced a group of North-west German regional electric power companies to award Krupp BBO a contract for delivery of one experimental electrical power plant with about 10,000 MW capacity.

The plant will be in operation by 1960 and it is said that the electric energy produced by it will be highly competitive with coal-produced electricity.

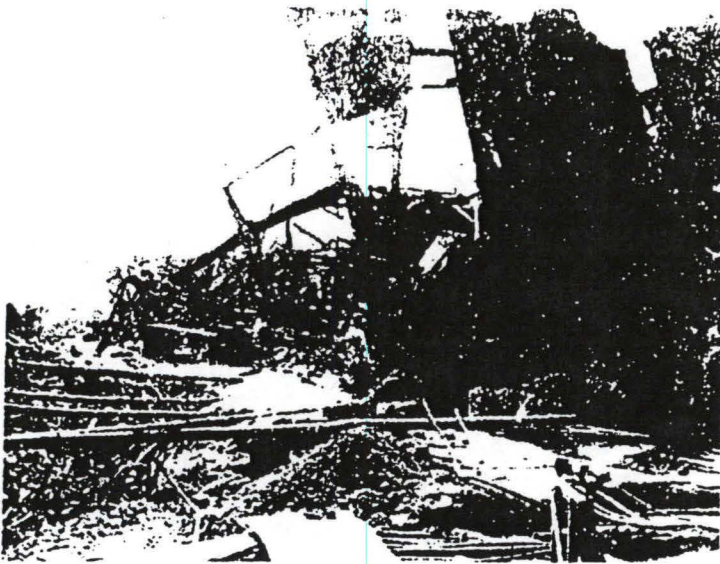
Source: Driever Krupp

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

Aus Schutt und Asche entstand wieder ein Imperium

Die Firma Krupp — das größte Familienunternehmen der Welt | Führer des Krupp-Imperiums

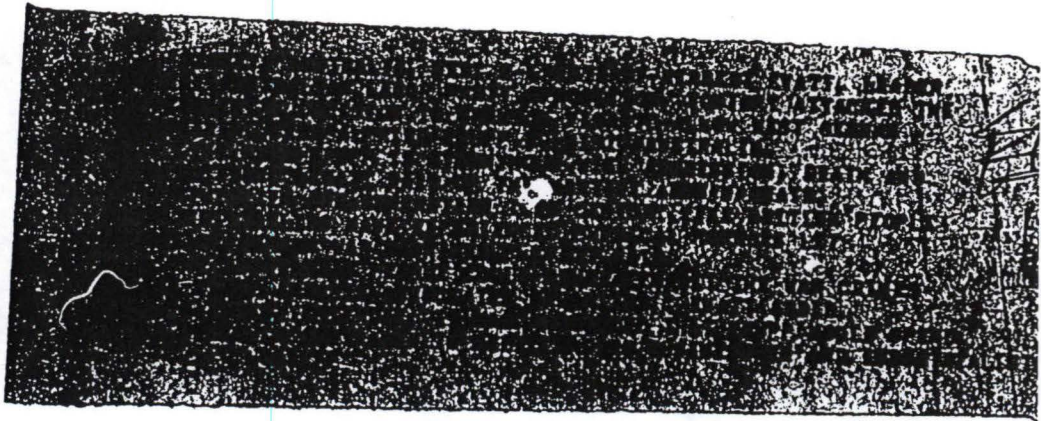
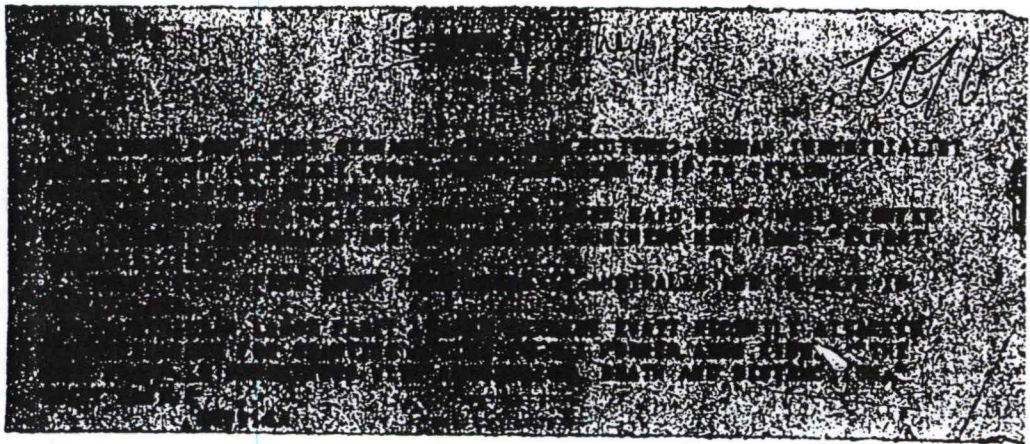
Herr Beitz sorgte für Propaganda



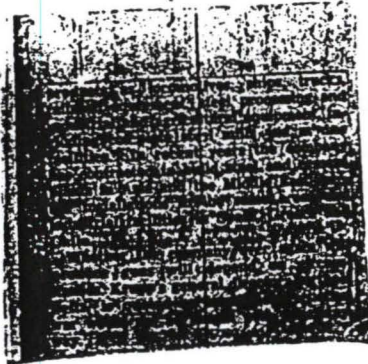
Die drei mythischen Ringe

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE: METHODSEXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

BEST AVAILABLE COPY



DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B21
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008



DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

BEST AVAILABLE COPY

SECRET
(When Filled In)

DOCUMENT TRANSFER AND CROSS REFERENCE

SUBJECT OF DOCUMENT		DOCUMENT IDENTIFICATION				
Field Interrogation of Achille MAREEL		RI FILE NO.	Wash	Reg	Int	172
		DISPATCH OR SOURCE DOC. SYMBOL NO.			DATE	
		XX1582			24 June 44	
ANALYST		DATE PROCESSED	DISSEMINATED IN		DATE	
3		13 August 1957				
DOCUMENT DISPOSITION						
<input checked="" type="checkbox"/> CROSS REFERRED TO THIS FILE			TRANSFERRED TO RI FILE NO. _____			
PERTINENT INFORMATION						
".... Personality list of Officers and Officials of German Intelligence Services Known to Subject. 12. FROEDE, Major @ Dr. COLEMAN Believed to be related to the <u>KRUPP</u> family."						
FILE THIS FORM IN FILE NO.		➔ [C]				

FORM NO. 867 REPLACES FORM 867, 1 AUG 54
1 MAY 54 AND FORM 137 WHICH ARE OBSOLETE.

SECRET

(7-46)

BEST AVAILABLE COPY

DECLASSIFIED AND RELEASED BY
 CENTRAL INTELLIGENCE AGENCY
 SOURCES METHOD EXEMPTION 3B2E
 NAZI WAR CRIMES DISCLOSURE ACT
 DATE 2008

SECRET
 (When Filled In)

DOCUMENT TRANSFER AND CROSS REFERENCE				
SUBJECT OF DOCUMENT		DOCUMENT IDENTIFICATION		
re Alfred KRUPP	RI FILE NO.	Wash	CIA	Int 41
	DISPATCH OR SOURCE DOC. SYMBOL NO.		DATE	
	RI/AR		4 Aug 44	
	SOURCE CRYPTONYM	DATE OF INFO.	EVALUATION	
	DATE PROCESSED	DISSEMINATED IN	DATE	
	13 August 1957			
DOCUMENT DISPOSITION				
<input checked="" type="checkbox"/>	CROSS REFERRED TO THIS FILE	TRANSFERRED TO RI FILE NO. 1		
PERTINENT INFORMATION				
Source: Political Intelligence Weekly				
(from page 24)				
<u>"Civilian Participation in the German Conspiracy</u>				
<p>Dr. Goebbels' belated announcement that Karl Friederich Goerdeler was implicated in the unsuccessful coup of 20 July confirms earlier suppositions that the conspiratorial group included important civilians as well as key military figures. Without the assistance of civil servants and the support of big business, the conspiring generals could scarcely have hoped to establish a new national administration. Goerdeler was well qualified to give such aid, since he has held responsible political positions and maintained excellent connections with German business leaders.</p> <p>During the 1920's and the 1930's Goerdeler served in such distinguished positions as mayor of Koenigsberg (capital of East Prussia), Lord Mayor of Leipzig, and national economy commissioner under the Bruening Government. His efficient conduct of the last post strengthened the confidence already placed in him by Bruening, Schacht, and the nationalist General von Schleicher. Goerdeler, in the early years of the Nazi regime, neither actively fought nor actively supported the Nazis. Possibly through the influence of his close friend Schacht, he was able to retain his post as Lord Mayor of Leipzig until his resignation in 1936, and for a limited period continued to hold his position as economy commissioner with reduced powers. Goerdeler's excellent connections with business are evidenced by the fact that after his resignation he was offered a prominent position in the Krupp armament concern by <u>Alfred KRUPP</u>, an offer withdrawn at the insistence of the Nazis.</p> <p>...."</p>				
FILE THIS FORM IN FILE NO.		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		

FORM NO. 867 REPLACES FORM 867, 1 AUG 54
 1 MAY 56 AND FORM 137 WHICH ARE OBSOLETE.

SECRET

BEST AVAILABLE COPY

SECRET
(When Filled In)

DOCUMENT TRANSFER AND CROSS REFERENCE					
SUBJECT OF DOCUMENT			DOCUMENT IDENTIFICATION		
Traffic in Enemy Exchange			RI FILE NO.	Wash	X-2
			R&G	2	
			DISPATCH OR SOURCE DOC. SYMBOL NO.		DATE
			GUT 9731, 9732, 9733		25 Apr 45
			SOURCE CRYPTONYM	DATE OF INFO.	EVALUATION
ANALYST	DATE PROCESSED		DISSEMINATED IN		DATE
C	20 Sept 57				
DOCUMENT DISPOSITION					
<input checked="" type="checkbox"/>	CROSS REFERRED TO THIS FILE		TRANSFERRED TO RI FILE NO.		
PERTINENT INFORMATION					
<p>"INFORMED HERE THAT 2 OF SEVERAL INTERMEDIARIES FOR TRAFFIC IN ENEMY EXCHANGE AND CAPITAL BETWEEN SWITZERLAND AND SPAIN, PROBABLY VIA FRANCE, WILL BE PERSON NAMED BOURDETTE WITH OERLINGCK COMPANY, SWITZERLAND., AND AN INDIVIDUAL OR FIRM NAMED GRUTLAR OF BASFL. REPORTED TO BE CR ASSOCIATED WITH INTERNATIONAL BUSINESSMEN. FURTHER IDENTIFICATION, PERTINENT DETAILS AND SIMILAR FACTS CONCERNING OTHER POSSIBLE INTERMEDIARIES SUCH AS PERSONNEL OF <u>KRUPP</u>, <u>ROECHLING</u>, <u>I.G. FARFEN</u>, <u>RHEIN METALL</u> AND <u>OERLINGCK</u> URGENTLY DESIRED HERE. CABLE REPORT RESULTS CHECK OF 2 NAMED INDIVIDUALS, FOLLOWING LATER WITH ADDITIONAL INFORMATION OBTAINED."</p>					
FILE THIS FORM IN FILE NO.			➔	C	7

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

FORM NO. 867 REPLACES FORM 867, 1 AUG 54
1 MAY 56 AND FORM 137 WHICH ARE OBSOLETE.

SECRET

(7-46)

BEST AVAILABLE COPY

SECRET

R1/AR

5 July 1945

To: Lt. Janney
From: Annette L. Flugger
Subject: Alfred von BOHLEN *af*

To J. Saint
* Will you please ask Links the following:
(Paragraph 8, Summary)
* Is Obstlt. von BOHLEN of Flash #46 of 12 February, 1945,
identical with Alfred von BOHLEN, who arrived in Portugal via Spain
by plane from Germany on VE-day?

ALF/elw

To London via cable ^{July} 7/6/45 T. 16278
To N.Y. via Top Secret courier, 7/5/

364

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

SECRET

Wash X2 Pts 103

BEST AVAILABLE COPY

✓ NAZI WAR CRIMES DISCLOSURE ACT

SECRET
 (When Filled In)

DOCUMENT TRANSFER AND CROSS REFERENCE							
SUBJECT OF DOCUMENT			DOCUMENT IDENTIFICATION				
German Capital and Activities in Spain			RI FILE NO.	Wash	SPDF		
			DISPATCH OR SOURCE DOC. SYMBOL NO.			Int	1
			A 61290			DATE	25 Sept 45
ANALYST		DATE PROCESSED	SOURCE CRYPTONYM	DATE OF INFO.	EVALUATION		
C		13 August 1957			B-3		
DOCUMENT DISPOSITION							
<input checked="" type="checkbox"/> CROSS REFERRED TO THIS FILE			TRANSFERRED TO RI FILE NO. 1				
PERTINENT INFORMATION							
<p>"Flight of German Capital to Spain</p> <p>1. The honorary German Consul Aarloff, a naturalized Spaniard of German origin, had arranged by late May 1945 for the transfer to Spain of a collection of postage stamps valued at about \$500,000 belonging to SS Obergruppenfuhrer Hohl; all the shares of Siemens Industria Electrica, S. A. in Spain belonging to Dr. Helmuth Friedrich of the chancellery of the Nazi Party; the KRUPP family jewels, given to Aarloff by Lt. von Bohlen-Halbach.</p> <p>...."</p>							
DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCES METHODS EXEMPTION 3B2B NAZI WAR CRIMES DISCLOSURE ACT DATE 2001 2008							
FILE THIS FORM IN FILE NO.			➔				
			C]				

FORM NO. 867 REPLACES FORM 867, 1 AUG 54
 1 MAY 56 AND FORM 137 WHICH ARE OBSOLETE.

SECRET

(7-48)

BEST AVAILABLE COPY

SECRET
(When Filled In)

DOCUMENT TRANSFER AND CROSS REFERENCE			
SUBJECT OF DOCUMENT		DOCUMENT IDENTIFICATION	
Germany - People and Social Forces	RI FILE NO.	32	3 13 2
	DISPATCH OR SOURCE DOC. SYMBOL NO.	DATE	
	ON I	28 Mar 47	
	SOURCE CRYPTONYM	DATE OF INFO.	EVALUATION
AN []	DATE PROCESSED	DISSEMINATED IN	DATE
	16 August 1957		
DOCUMENT DISPOSITION			
<input checked="" type="checkbox"/> CROSS REFERRED TO THIS FILE	TRANSFERRED TO RI FILE NO. :		
PERTINENT INFORMATION			
<p>"SUMMARY: The Association of German Engineers (VDI) - Verein Deutscher Ingenieure - Composition and Mission of.</p> <p>....</p> <p><u>Members of the Board of Directors of the VDI:</u></p> <p>....</p> <p><u>Alfred KRUPP VON BOHLEN</u>, Chairman of the Board of Directors of the Krupp Works at Berlin.</p> <p>....</p> <p>....."</p>			
FILE THIS FORM IN FILE NO. →			

FORM NO. 867 REPLACES FORM 867, 1 AUG 54
1 MAY 56 AND FORM 137 WHICH ARE OBSOLETE.

SECRET

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE/METHOD/EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

BEST AVAILABLE COPY

Declassified and Approved for Release
by the Central Intelligence Agency

Date: 2001

NAZI WAR CRIMES DISCLOSURE ACT

Ludwig Bamberger,
Narvavägen 5,
Stockholm / Sweden

Stockholm, November 13th, 1950.

Office of the United States
High Commissioner for Germany,
Frankfort a/M.

For the attention of the High
Commissioner.

Sir,

To my great surprise I learnt some time ago that Mr. Alfred Krupp von Bohlen und Halbach and his colleagues on the Board of the Krupp concern had been sentenced to long terms of imprisonment - in the case of Mr. Krupp - also to confiscation of his entire fortune, by the judgment of Military Tribunal III dated July 31st, 1948.

During several decades I represented the Krupp interests both in Germany and elsewhere, last as director of the Eastern section, and thanks to this I maintained an intimate contact not only with the now deceased father of Mr. Alfred Krupp von Bohlen und Halbach, but also with most of the leading persons in the Krupp organisation. My relationships with them were not restricted to collaboration in the business sphere. I had abundant opportunities for a personal contact with them, and was able to acquaint myself with their private opinions in matters of a political and a social nature. I was familiar with the personal views of the late Mr. Krupp von Bohlen und Halbach as regards the Nazi regime, and I know that he made representations to Hitler, together with the head of the Siemens concern, Mr. von Siemens, regarding the Nazi atrocities. Unfortunately, as he told me, without success. If certain of the Krupp chiefs became members of the Nazi party, they did so as a consequence of the strong pressure that was brought to bear on them in this respect by the Government and the Party.

I never had the slightest occasion to doubt of the attitude of these men, and for that matter, the attitude of the entire management, in social matters: on the contrary, welfare arrangements for the workers and staff were in general far superior to what I have observed elsewhere.

In confidential conversations, the late Mr. Krupp von Bohlen und Halbach referred repeatedly to his fears that the Hitler regime would lead us into war, and that this war would be a catastrophe for his firm, and for the whole of Germany.

BEST AVAILABLE COPY

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

As regards the verdict of the Military Tribunal, it is not for me to make any criticism, but I feel I am bound to state my innermost conviction that brutality and inhumane practices were far from the true nature of the condemned men, and that they have only given in to the pressure of the Party and its officials if they have, as has been alleged, acted contrary to their duties as human beings.

In view of the above, I feel myself morally bound to petition you to pardon the following condemned men:

ALFRIED KRUPP.VON BOHLEN UND HALBACH
x EDUARD HOUDREMENT
ERICH MUELLER
x FRIEDRICH JANSSEN
MAX IHN
KARL EBERHARDT
HEINRICH KORSCHAN
FRIEDRICH VON BUELOW
HEINRICH LEHMANN
HANS KUPKE

I am convinced that a merciful pardon in these instances would not redound to the benefit of any unworthy person.

Very truly yours

L. Bamberger

BEST AVAILABLE COPY

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2001

NAZI WAR CRIMES DISCLOSURE ACT

VIA: _____ DISPATCH NO. PDRA-7959
SPECIFY AIR OR SEA POUCH

SECRET/CONTROL
U.S. OFFICIALS ONLY
CLASSIFICATION

TO : Chief, FDP DATE: 22 May 1951
FROM :
SUBJECT: GENERAL -
SPECIFIC - Talks with BAMBERGER, KRUPP Director

Report Made by: []

1. Attached herewith is single copy of a report by DEMANDANT on conversation with Ludwig BAMBERGER, for many years connected with the KRUPP munitions interests, on the occasion of [] recent visit to Stockholm. According to this report, BAMBERGER agrees to attempt to procure armament and metallurgical information from Alfrid KRUPP and Eduard HOUDREMENT, KRUPP metallurgist.
2. No copy has been retained by []

[]

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2006

SECRET/CONTROL
U.S. OFFICIALS ONLY
CLASSIFICATION

FORM NO. 51-20A
MAR 1949

BEST AVAILABLE COPY

NAZI WAR CRIMES DISCLOSURE ACT

SOURCE:

18 May 1951

RE: BAMBERGER, Ludwig
VARVAATAN 5,
STOCKHOLM, SWEDEN
KRUPP, Alfred von Bohlen und Halbach
HOUFFMANT, Edward
GANNISSEN, Friedrich

1. [] during the course of his operations in STOCKHOLM, as set forth in his report dated 18 May 1951 entitled "FR KOP'OSKI- Secret *Techniques for Handling*
Issues of Foreigners' Interests" had occasion to meet and talk with BAMBERGER, Ludwig several times, developing the faith and confidence of BAMBERGER.
2. BAMBERGER, as has been heretofore described is an elderly gentleman of 70 years,- and has represented the KRUPP interests in various countries in Europe for "several decades". [] prior to leaving STOCKHOLM, visited him alone in his office in FORSMOLSTORP on 9 May 1951. [] carried the conversation to the KRUPP organization and BAMBERGER'S long association with it.
3. BAMBERGER in substance stated the following:
 - " You know that we old Directors of the Krupp interests are most happy to see the way the American's have handled the matter of the release of Mr. Krupp and his associates from imprisonment. All Germans have a profound respect for the just methods of American military control, and are now greatly impressed with McCloy. He is doing a wonderful job in Germany."
 - " Yes I have been a close friend of the Krupp family for many years. I was with the present Mr. Krupp's father in Germany for several years,- and of course am most intimately acquainted with Mr. Krupp today,- as a matter of fact not only KRUPP, but also all of his associates who were arrested and imprisoned with him. "
 - " It has been a long and difficult fight to obtain the releases of these men. However we never gave up hope and effort because we always felt that the Americans would appreciate the importance psychologically and politically upon the German people which the release would effect,- except for a small minority. This of course apart from the fact that we had absolute

~~TOP~~ COPY - H-6-1

BEST AVAILABLE COPY

faith in American justice because we sensed the complete lack of vindictiveness, and the decent, honorable attitude of the Americans towards the German people in aiding, feeding and clothing them after the war."

never,
"KRUPP was, nor were his associates "Nazi minded". I wrote a letter to the High Commissioner on 13 November 1950 petitioning him for the release of those men, and am convinced that, as I said in the letter, they were victims of Nazi political pressure, - forced to enter the Party, - but always basically businessmen and not politicians."

asked to see the letter, - and thus had the opportunity to draw BARBER out on many points which were in substance expressed by BARBER as follows:

BARBER STATED:

"I am very close to the young Krupp, - and have seen him on several occasions since his release. Last month I was in Germany and was his guest. He told me that he has decided, as a matter of good policy and tactics not to circulate too much, and not to become at once active in his factories and management, - for at least another five or six months, - until the public and his employees, and his friends became accustomed to the idea of his release, and his restitution of all his properties. He confided in me that this policy would be substantially followed by his various associates who had also been imprisoned, - but that after a few months they would all gradually re-enter into active work again."

"I am most of all the close friend of Prof. HOUDREMENT, - who is perhaps the greatest metallurgist in Europe today. He is the man most responsible for the technical success of the Krupp interests. He has been with the company for more than forty years, - and while he is an old man he is in excellent health and very active. During his imprisonment he worked on several books and papers, and on various processes which he devised."

"Yes, - undoubtedly, HOUDREMENT must possess many important secrets of the Krupp people, - it was always he who devised, developed and installed the various techniques and processes of the factories. I have always been surprised that you Americans particularly did not handle this man differently. He would have been of great assistance, - as a great German scientist, in many of your manufacturing processes."

"Do I know whether he has important inventions or methods and processes on hand now which have never been developed?.... I am certain he has, - after all he was the Director General of all Manufacturing in addition to his personal scientific contributions to the industry. No secret of Krupp did not pass his hands. He was the "supreme authority", - let us say."

"I saw the Professor (Houdrement) last month in Germany. I have invited him and his wife to come to Sweden this summer, - and he has accepted, - so he will probably be with us here for a few weeks. He is the dearest friend I have in the Krupp organization, - and we talked over old times with great joy. He too is "keeping quiet" for a few months. Of course his age keeps him from making too many extensive plans, but he will undoubtedly be of great value in KRUPP'S future plans."

BEST AVAILABLE COPY

" Yes, I believe that the young KRUPP will try to bring his factories back to a high level of production, - and that the great many thousands of workers and employees he had during the war, will over the next few years gradually get back on the job. KRUPP wants to stay out of munitions and such, - and is determined too. But who knows what America will ask the German nation to do in the future. In any case, now that the Krupp factories are only slightly reorganized, - and have every few thousand workers, the future for the company does not look too bad especially with Krupp and Prof. Houdremont going back on the job in a few months. Several of the other men, - like FRIEDRICH JANSSEN, for example, will also gradually filter back into work. These are the men who made KRUPP the industrial giant it was, and these men are now free, and have the ability and experience to re-organize and rebuild the industry back again to what it was."

Then directly asked BAMPERTER whether he felt that PROF. HOUDEMONT, with whom he was on such intimate friendly contact for "more than thirty years" could not be approached by BAMPERTER with a view to obtaining processes, techniques and inventions which until now have been held secret. BAMPERTER in effect replied:

" In my last conversations with Prof. HOUDEMONT I received the distinct impression that there existed, as I have told you, a sort of "remaining fear" evidenced by the decision of all these men to "keep quiet" for a few months. I believe they are still, to a very large extent, considered "persona non grata" with the Americans, - and while he has not said so - would probably feel embarrassed in pulling out secret scientific data at this time. I have not the slightest doubt that Krupp and Houdremont are in possession of many, many interesting things which would be of great value to America. But even I too can see a bit of difficulty in engaging in negotiations with these men for the sale of their important secret inventions and processes on a plain and open basis. Krupp and Houdremont would be afraid to touch at at this time, I think, - unless we can figure out a way."

Then stated:

" Listen Mr. BAMPERTER, - you who have spent your life in foreign trade in the steel industry and machinery as representative of Krupp know better than I that there are ways to accomplish anything. Any reluctance which Krupp, or HOUDEMONT or any others may have in such a manner can be understood, but I believe I am safe in stating that, if you, as an intimate friend of the Professor HOUDEMONT, - and of Mr. KRUPP, - can sound out these men to determine whether they have anything of serious interest which can interest the Americans, the matter can be safely arranged, - and in such manner that the relative positions of these men can be fully protected. I believe that morally too, you might prevail upon them to make clear that the contributions they might make in fact accrue to the German people as well as to them since whatever they can do to facilitate the great American defense program is in effect a substantial contribution in the fight against Communism. In short, while they are in this moment filled with mixed feelings of chagrin, sufferings, - and confusion as to their loyalties, - and are not in a position to measure just what to do, I am confident that through you, - and through me they can be given all of the assurances they desire in exchange for their sincere cooperation and collaboration."

BEST AVAILABLE COPY

MR. BARBER at this point manifested unusual interest and he in substance stated:

"There is no doubt that you Americans can do anything. I am sure, as you say, that they can be given a leg up. Their position would not be adversely affected, and if necessary, their collaboration and cooperation might be of great value."

Barber replied:

"That is absolutely correct. Now the companies which I refer to as I have told you I am not authorized to divulge, are companies who in America, according to a certain extent, are to that which the Krupp interests occurred in Germany. These in America have the necessary contacts to be able, if Krupp can reveal something of interest in new inventions, machinery, and techniques, to make all the arrangements necessary to carry them out completely."

"In the meantime, Mr. BARBER, you personally must see these two encourage them to appoint you their agent in this matter, - have them in you their innermost feelings and desires, - and permit you to create for me any new ideas and inventions which until now have remained undeveloped. You must also place the matter on a moral basis not allowing them to forget their duty to do all they can to combat Communism. You should also remind them of the advantages which might accrue to them in beginning to lay the foundation to acquire the full faith and respect of the Americans. It is never too soon for them to begin to do this."

BARBER replied:

"Yes, I shall try to obtain information on what they have which may be of interest to you. I hope to go to Germany again soon, before HENRIK and his wife come to Sweden as my guests. And then we shall see what comes of this."

"I need not repeat my assurances that all of these matters are of the strictest confidence and secrecy.... and by the way, may I have a copy of this letter of your to the High Commissioner?... just to give my people an idea of how close you are to those Krupp men?... thank you so much...."

Barber then gave his personal business address to BARBER and requested him to advise him at once of any progress he would make in the matter.

BEST AVAILABLE COPY

SECRET
(When Filled In)

DOCUMENT TRANSFER AND CROSS REFERENCE				
SUBJECT OF DOCUMENT		DOCUMENT IDENTIFICATION		
World Peace Council	RI FILE NO.	200	4	126 39
	DISPATCH OR SOURCE DOC. SYMBOL NO.	DATE		
	MAYA 9791	9 Nov 51		
	SOURCE CRYPTONYM	DATE OF INFO.	EVALUATION	
<input checked="" type="checkbox"/>	DATE PROCESSED	DISSEMINATED IN		DATE
	16 August 1957			
DOCUMENT DISPOSITION				
<input checked="" type="checkbox"/>	CROSS REFERRED TO THIS FILE	TRANSFERRED TO RI FILE NO. :		
PERTINENT INFORMATION				
<p>"1. We are forwarding attached the following material on the World Peace Council meeting held in Vienna 1 to 7 November (extended two days beyond the scheduled date of termination).</p> <p>a. One USCOA Legal Division report dated 5 November 1951 concerning participation in the Peace Parade held Saturday 3 November 1951.</p> <p>b. A large batch of material containing session summaries, speech summaries, biographical information on Delegates, lists of delegates, draft resolutions, and three pamphlets published by the World Council of Peace. All of these things were obtained overtly by Grizzly Bear, who attended the sessions.</p> <p>...."</p> <p>Attachments held in CIA Records Center, Job No. 56-59.</p>				
<p>DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCE/METHOD/EXEMPTION 3B2I NAZI WAR CRIMES DISCLOSURE ACT DATE 2008</p>				
FILE THIS FORM IN FILE NO.		➔		

FORM NO. 867 REPLACES FORM 867, 1 AUG 54
1 MAY 56 AND FORM 137 WHICH ARE OBSOLETE.

SECRET

BEST AVAILABLE COPY

NAZI WAR CRIMES DISCLOSURE ACT

FOR COORDINATION WITH ARMY

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2001

~~CONFIDENTIAL~~
~~SECRET~~

Encl 4 to
MASA 1755

COMPANY "B"
533 MILITARY INTELLIGENCE SERVICE BN
APO 174 US ARMY

L-17,700-52
28 May 1952

SUBJECT: Whereabouts of PW
TO : Commanding Officer
Co "B" 533 MIS BN
APO 174 US ARMY

1. The undersigned was contacted by the former Source LB-10,885-51, who volunteered the following information:
2. A former PW camp, located near SVIJDLOVEK (5650N-6036E), has been redesignated since 1951 as "6118/A" (ЛАГЕРЬ - camp).

This camp houses Austrian and German nationals who were sentenced as war criminals to terms of 25 years. Among its inmates are the following:

- * Richard ~~WYSS-IMMUT~~, son of the former Austrian Chancellor, who turned over Austria to the Nazis in 1938 and was hanged in NUREMBERG; he was sentenced for membership in the Brandenburg Division.
- * ~~WUPP v. FOMLEN~~ und ~~HALBACH~~, (fmu, brother of Alfred WUPP, the present owner of the German firm; and
- * LEINSPITZGET, fmu, a native of VIENNA.

3. The above named individuals were also mentioned in reports No L-10,897 and L-10,898-51 as having been interned until November 1950 in camps 7027/1 and 7027/2, located at KRASNOGORSK (5549N-3719E).

M.A. ISSMAN
Chief PW Team I

~~CONFIDENTIAL~~
~~SECRET~~

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

BEST AVAILABLE COPY

SECRET
(When Filled In)

*combined into
KLEEMAN,
Robert W*

DOCUMENT TRANSFER AND CROSS REFERENCE			
SUBJECT OF DOCUMENT		DOCUMENT IDENTIFICATION	
		RI FILE NO.	
		DISPATCH OR SOURCE DOC. SYMBOL NO.	DATE
		Att to EQA-10978	26 Feb 53
		SOURCE CRYPTONYM	DATE OF INFO. EVALUATION
AK-1000 EE/G/W5	DATE PROCESSED 14 Mar 1959	DISSEMINATED IN	DATE
DOCUMENT DISPOSITION			
<input checked="" type="checkbox"/> CROSS REFERRED TO THIS FILE		TRANSFERRED TO RI FILE NO.	
PERTINENT INFORMATION			
EXTRACT			
Page 1 Item 1:			
a Karl ADAMEIT, b. 15 Oct 1905, Essen, engaged in pre-war KPD espionage at KRUPP works (HICOG BIO).			

FILE THIS FORM IN FILE NO.		→	KRUPP

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

FORM NO. 867 REPLACES FORM 867, 1 APR 54
1 MAY 56 AND FORM 137 WHICH ARE OBSOLETE.

SECRET

(7-46)

BEST AVAILABLE COPY

SECRET CONTROL
U.S. OFFICIALS ONLY
SECURITY INFORMATION
CLASSIFICATION

DISPATCH NO. 374 4271

VIA AIR
TO : CHANG 33
FROM : [redacted]

DATE: MAY 28 1951

SUBJECT: GENERAL - Intelligence/Process
SPECIFIC: Negotiations for Sale of Greek Material to Egypt.

1. The following information was given orally by [redacted] on the subject of the letter for action from an [redacted] informant, [redacted] obtained the information.
2. According to [redacted], the American Embassy in Athens referred his proposal to Washington for selling Greek-made materiel to Egypt, and received the reply that the American government had no objections. In fact, though [redacted] did not say so directly, [redacted] indicated that the American government favored the conclusion of his negotiations. However, [redacted] was the American government's approval. [redacted] in this, the British pressure Greek Foreign Minister [redacted] to prevent negotiations and failing in this, the British took the matter to Prime Minister [redacted], where apparently the matter was rested.
3. [redacted] and [redacted] (who owns the Greek factory which would produce the arms for Egypt) seem to mean to bring counter-pressure upon the Greek government. Subject states they are giving no hint that they have knowledge of British interference.
4. [redacted] declared he has conferred with Prime Minister [redacted] and related that [redacted] takes seven days to get a letter from Athens to Egypt, he has given a letter [redacted] intelligence at the Egyptian Embassy in Athens, which was addressed to the Egyptian Security Department, [redacted] he had to be "security cleared" for his conference with [redacted] [redacted]. However, as subject stated, [redacted] apparently takes seven days here to effect delivery of a letter once it is mailed in Egypt. [redacted] did not receive notification of his clearance during that time, he arranged his conference with [redacted] through other channels.
5. Subject said he received notification from the local Egyptian Embassy that an Egyptian cable which was sent to Athens on 22 May 1951 to establish a credit of Egyptian dollars with the Bank of Greece for the purchase of Greek materiel. [redacted] then pointed out that there are approximately 70,000 Greek materiel in Egypt, and that if a sympathetic wire was taken by the Greek government concerning the Egyptian

FORM 51-28A

SECRET CONTROL
U.S. OFFICIALS ONLY
CLASSIFICATION

COPY

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

BEST AVAILABLE COPY

SECRET CONTROL
U. S. OFFICIALS ONLY
SECURITY INFORMATION

delegation's proposal to purchase small arms and ammunition, this would further insure the protection of Greek subjects in Egypt. This material, he said, was also procurable on the open market elsewhere. GARDNER stated that a 10,000,000 dollar deal for Greece meant a "lot of money" to "put out" accordingly. He added that, as he had predicted, Markovitch was coming back from Washington empty handed and was told to apply for a 10,000,000 dollar loan from the International Bank.

6. GARDNER was asked by [redacted] if he thought KIPP was trying to include himself in the negotiations. [redacted] said that he had seen KIPP's picture in the Athens papers and [redacted] the translations of notices of his visit. GARDNER replied - "No, no." KIPP talked with KASSANIS about building an arms factory in Egypt. Then GARDNER was asked if KIPP had conferred with the Egyptian [redacted]. The answer was "No". GARDNER asked KIPP directly, "Are you certain he didn't meet KASSANIS?" and the reply was "Positive". GARDNER asked, "Did KIPP confer with [redacted]?" and GARDNER replied, "I don't know that".
7. [redacted] stated that the French firm Marin was building an arms factory on a jet plane factory in Egypt and under the terms of the contract will turn the [redacted] for 3,000,000 pounds to the Egyptian government after [redacted] have been produced.
8. When [redacted] asked GARDNER why the British were interfering, the conversation was interrupted.
9. GARDNER then discussed the fact that the Greek government had received quantities of unusable material from the United States under the LRM program. One of the items involved 5,000 plows which, according to GARDNER, "can't be sold in Greece for 50 cents apiece". He, however, said that he offered to pay five dollars apiece for the plows with the object of selling them to Egypt with cotton as payment. He did not say whether or not he had a buyer for the Egyptian cotton. Later GARDNER said that he had just bought 2,000 tons of Egyptian cotton.
10. GARDNER then indicated that there were important international negotiations at present and that he predicted the British were presently seeking to negotiate a secret treaty between England, Germany and the Soviet Union. The British believe they can use the Soviets and vice-versa. He was asked, "Do you think the Germans will fall for it?", and he answered that he didn't, but whoever had Germany as an ally would win the next war.
11. England, he said, wants her own constellation of nations in Europe, independent of the United States and knows that America is going to stop all economic aid to Europe, because - even though the Americans found out the difficult way - she realizes that after all the aid she has

SECRET CONTROL
U. S. OFFICIALS ONLY
SECURITY INFORMATION

BEST AVAILABLE COPY

SECRET CONTROL
U. S. OFFICIALS ONLY
SECURITY INFORMATION

firm, the European nations should now be self-sustaining; these nations either do not have the will, or do not wish to get "on their feet", or they are negotiating secretly and independently of the United States. GIDAL said not to forget the "hundreds" of British ships which are supplying aid to the Chinese Communists. England does not want to lose this business.

12. Of course, if the situation continued, the United States will have to continue arms production and give military aid to her allies to stay strong. It is the only way to prevent a war; the Americans are caught in a dilemma, however, for if they should stop arms production, the result would be a disastrous depression.

C. Medstone/LGS

ree

26 May 1953

Distributions

3 - WASH
1 - []
1 - []
1 - Chrono
1 - Subject

SECRET CONTROL
U. S. OFFICIALS ONLY
SECURITY INFORMATION

BEST AVAILABLE COPY

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2001

NAZI WAR CRIMES DISCLOSURE ACT

SECRET
(When Filled In)

DOCUMENT TRANSFER AND CROSS REFERENCE				
SUBJECT OF DOCUMENT		DOCUMENT IDENTIFICATION		
Armenian Tribune	RI FILE NO.	100	4	5 140
	DISPATCH OR SOURCE DOC. SYMBOL NO.	DFB-32761		DATE 11 Feb 54
	SOURCE CRYPTONYM	DATE OF INFO.	EVALUATION	
DATE PROCESSED 12 August 1957	DISSEMINATED IN		DATE	
DOCUMENT DISPOSITION				
<input checked="" type="checkbox"/> CROSS REFERRED TO THIS FILE	TRANSFERRED TO		RI FILE NO.	
PERTINENT INFORMATION				
<p>"SYNOPSIS OF FACTS:</p> <p>Armen MESROBIAN resigned as editor of "Armenian Tribune" August 1953, and was succeeded by Jack TOROSIAN temporarily. Annette Zemanian PROVINZANO, a reported CP member, appointed as editor in December, 1953. Publication of "Armenian Tribune" discontinued as of 12/26/53. Review of current issues of "Armenian Tribune" reflects that it has followed the CO line. Typical editorials and articles set out.</p> <p>....</p> <p>The August 1, 1953, issue of the "Armenian Tribune" on page two, columns four and five, carried an article entitled "Krupp Empire Helped to Rise Again From Ruins". The article criticized the action of the United States High Commissioner of Germany John J McCloy who had ordered that <u>Alfred KRUPP</u>, 44 year old heir to the KRUPP estate who had been sentenced to 12 years in prison be freed and his property restored. The article stated "the American people were recently told that the mighty KRUPP empire, symbol of the German munitions trust, had finally been destroyed. On the face of it various KRUPP enterprises were disbursed. Apparently the goal of decartelization was being carried out. Actually, however, the KRUPP operation is part of the building of a new cartel system in the Ruhr perfectly designed for arms production."</p> <p>...."</p>				
FILE THIS FORM IN FILE NO.		C		

FORM NO. 867 REPLACES FORM 867, 1 AUG 54
1 MAY 56 AND FORM 137 WHICH ARE OBSOLETE.

SECRET

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

BEST AVAILABLE COPY



IN REPLY, PLEASE REFER TO
FILE NO. 64-2301

~~CONFIDENTIAL~~
United States Department of Justice
Federal Bureau of Investigation
Washington 25, D. C.

DFB 36-6

DFB 36166

8 Jul 54

Date: July 6, 1954

To: Mr. Dennis A. Flinn
Director
Office of Security
Department of State
515 22nd Street, Northwest
Washington, D. C.

BY COURIER SERVICE

From: John Edgar Hoover, Director
Federal Bureau of Investigation

Subject: SHIPMENT OF ARMS TO GUATEMALA
FOREIGN POLITICAL MATTERS - GUATEMALA

Herman H. Leonard, Maine Street, Presque Isle,
Maine, has furnished the following information to our Boston,
Massachusetts, office

Leonard stated that he is well acquainted with
Carlton J. Fisher, described as a professional pilot who was
employed as a pilot by the Bahamas Airways Ltd. at Oak Field,
Nassau, Bahamas Islands, during the summer of 1953. Leonard said
that during a conversation he had with Fisher in the fall of
1953, the latter related that he had formerly been employed
as a pilot by Alfred Krupp, the German munitions manufacturer,
and by a Swedish shipping magnate whose name Leonard did not
recall. According to Leonard, Fisher said that he had
flown Krupp and the Swedish shipping magnate to several Central
American countries, including Guatemala, in connection with
what appeared to be some type of joint business venture.

Leonard advised that he considers Fisher, who was
born and raised at Presque Isle, Maine, to be a person of
high calibre and loyal to the United States. Leonard
said that he was bringing this matter to the attention of the
FBI in view of the possibility that United States authorities
might desire to interview Fisher concerning his knowledge of
the activities of Krupp and the unidentified Swedish shipping
magnate in Central America. Leonard expressed the belief that
the latter individuals might be a source of arms shipments to
Communist elements in Guatemala.

~~CONFIDENTIAL~~

DECLASSIFIED BY 60309UCTAM/BSA/DF
ON 3/23/2007

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B21
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

FOR COORDINATION WITH

FBI

BEST AVAILABLE COPY

~~CONFIDENTIAL~~

DFB 5616

According to Leonard, Fisher is presently employed as a pilot by the Leavaters Lumber Company of Corner Brook, Newfoundland, Canada. Leonard has advised that in the event Fisher is contacted with regard to this matter, he would have no objection to having his name mentioned as the source of the foregoing information.

These data are for your information and any action deemed warranted. In the absence of a specific request, no investigation will be instituted by this Bureau.

cc - 1 - Director BY COURIER SERVICE
Central Intelligence Agency
2430 E Street, Northwest
Washington, D. C.

Attention: Deputy Director, Plans

cc - 1 - Director of Naval Intelligence
Department of the Navy
The Pentagon
Washington 25, D. C.

cc - 1 - Director of Special Investigations
The Inspector General
Department of the Air Force
The Pentagon
Washington 25, D. C.

cc - 1 - Assistant Chief of Staff, G-3
Department of the Army
The Pentagon
Washington 25, D. C.

cc - 1 - Mr. Chester A. Emerick BY COURIER SERVICE
Deputy Commissioner, Investigations
Bureau of Customs
Room 7048
Internal Revenue Service Building
Washington 25, D. C.

~~CONFIDENTIAL~~

100-11-3662

BEST AVAILABLE COPY

OFFICIAL DISPATCH HGGW-693

VIA AIR

DISPATCH NO. 100-693

SECRET CLASSIFICATION

OCT 1 1954

TO Chief, WH

FROM Chief, WH
SUBJECT GENERAL - Miscellaneous Matters
SPECIFIC - Carlton J. FISHER

1. An OIGMT memorandum dated 6 July 1954 states a source has advised that Carlton J. Fisher, described as a professional pilot, has related to him that he has formerly been employed as a pilot by the German aviation manufacturer, and by a Swedish shipping agent, whose name the source did not recall. Fisher was quoted as saying that he had flown EDUP and the Swedish shipping agents to several Central American countries, including Guatemala, in connection with the alleged to be some type of joint business venture.
2. Source stated that he considered Fisher to be loyal to the United States, but was bringing this matter to the attention of OIGMT in view of the possibility that they might desire to interview FISHER concerning his knowledge of the activities of Communist elements in Central America. It was believed that they might be the source of some information to Communist elements in Guatemala. Source did not state when the alleged trip took place.
3. Source stated that Fisher was employed as a pilot by the Airways Ltd. at San Fland, Northern British Islands, during the summer of 1953. At present he works as a pilot for the Aquatone Lumber Company of Corner Brook, Newfoundland, Canada.
4. Headquarters files contain no references to FISHER.
5. The above information is not to be disseminated further.

J.C. King

J. C. KING

27 September 1954
Distrib 3
FORM 51-29

SECRET CLASSIFICATION

1 - WH/III Chrono
1 - WH/III Ir com
1 - DI/DP
WH/III/ () ca
Date: Sec. 2616 of 6 July 1954

ALL FBI INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/23/2007 BY 60302UCTAM/BSA/JHF

BEST AVAILABLE COPY

VIA AIR

SEARCH NO. ETA-5335

SECRET
CLASSIFICATION

29 Apr 55

TO : Chief, ES
FROM : Chief, FOR

DATE: 29 Apr 55
INFO: COM

SUBJECT: GENERAL - CALL/CADORY - Operational

SPECIFIC - ES - Dowshall's New Undertaking and its Atomic Energy Possibilities

References: A. FROB 0141
B. FROB 0161

1. For some weeks now a deal has been maturing under which George C. Dowshall has become the Germany representative, and in effect the prime mover, of an as yet secret public relations contract between Identity 1 and CAPSULA (Identity 2). Although the relationship of CAPSULA, Identity 1, and Dowshall is not to be announced before late May, it has now been formalized, and for most of the month of April Dowshall has been devoting a heavy share of his time to these new duties, which he plans to carry out without suspending, or cutting back his own publication.

2. In the course of a telephone call on family business 19 April, Dowshall passed me the information contained in ref. A, and the next day Dowshall's wife brought me the information contained in ref. B. LCFIREFOX indicated lively and immediate interest, and wanted more information. While ES is not my project, and in fact technically is not even an active project any more, I accordingly visited Dowshall at his home 21 April, partly because I had already been specifically briefed by LCFIREFOX on the additional information they desired in the course of processing refs, partly because of the natural cover of known friendship and cross-visiting.

3. Dowshall not only made available a translation of a technical pamphlet prepared by CAPSULA's top experts on the subject matter desired by LCFIREFOX, but outlined to me his relationship with CAPSULA under the new arrangement. As he puts it, owing to both the extreme sensitivity of CAPSULA on the question of international reputation, and the well-nigh complete continental ignorance of modern public relations techniques, Dowshall is "practically a policy-maker and advisor to the whole CAPSULA empire". Dowshall originated the recent allusions of CAPSULA-1 (Identity 1) in a press conference to U. initiation of a "private Point Four program" by CAPSULA on an international scale, relative to the export of technicians, know-how, and guidance. He has also demanded, and been promised, that on behalf of Identity 1 he, Dowshall, will have immediate access day or night at any time he feels such urgency to CAPSULA-1.

4. Dowshall mentioned in passing that he knows the top directors of CAPSULA are either considering or actually planning entry into the field of

FORM 51-28A

SECRET
CLASSIFICATION

COPY

32-6-71-750

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE/METHOD/EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

BEST AVAILABLE COPY

SECRET

DIFA-5335
Page two

atomic energy, at least to the extent of building equipment if nothing more. Off the cuff, I suggested that as public relations advisor he should suggest to CAPSULA-1 that the latter at least broach publicly the idea of constructing an atomic energy power plant for West Berlin.

(a) Judging by recent OPACID traffic, there is an undesirable amount of Communist confidence and West German apprehension based on the fact that West Berlin needs brown coal briquettes supplied by the DDR and/or Poland for which West German coal, flown or railroaded in, is not a completely satisfactory substitute. The mere mention of atomic power might jar loose some calcified thinking along these lines.

(b) Such discussion would not only further the U.S. and Eastern "Atoms for Peace" line, but might give a new twist to the CAPSULA "war non-er" reputation which could be exploited by adept public relations.

(c) Most important of all, however, it would give Dowshall the necessary uncompromising opening for digging out some information on CAPSULA's atomic energy plans and thinking, which would appear to be a rewarding KUTUBE target.

5. Dowshall agreed with considerable enthusiasm. We both agreed that we have no basis for knowing whether the idea is even remotely feasible, but CAPSULA could hardly expect Dowshall to be scientifically knowledgeable in this field, and if the idea is impractical, the CAPSULA scientists may well let slip a certain amount of worthwhile information to him if for nothing more than to convince the layman of his stupidity.

6. Dowshall stated that as long as I am reachable in Germany (to 1 July 1955), and for as long thereafter as KUTAIK remains interested in supplying him with a contact, preferably one thoroughly competent in security tradecraft and knowledgeable enough in industrial and technical matters to direct Dowshall's output, he will be glad to continue to give us such useful information as he obtains from the CAPSULA connection. He made the sole stipulation that this must in no way ever involve him again in having to draft, substantiate, or sign an ODIONE accounting of any nature, out of consideration to his basic allergy to all such procedures. It would also appear that at long range, if Dowshall works his way into CAPSULA 1's confidence, there are broad KUCAGE possibilities in this relationship.

APPROVED: [] [] [] []

25 April 1955

Enclosure: SEPARATE COVER

Att. A (Identification)

Distribution:

} - ES w/encl. as noted S/C
} - FBI w/encl. as noted S/C

3-2-6-37
BEST AVAILABLE COPY

SECRET

SEPARATE COVER ATTACHMENT "A"

to DTFA-5335

IDENTITIES

- Identity 1 - ^{FIRM - U.S.A.} Worton & Condon, New York City
- 2 - ^{FIRM - GERMANY} Fried. Krupp A.G.
- 3 - Alfred Krupp von Bohlen und Halbach

~~SECRET~~ COPY

~~SECRET~~ 32-6-2/-930

BEST AVAILABLE COPY

SECRET
 (When Filled In)

DOCUMENT TRANSFER AND CROSS REFERENCE			
SUBJECT OF DOCUMENT		DOCUMENT IDENTIFICATION	
		RI FILE NO.	29 124 0 161
		DISPATCH OR SOURCE DOC. SYMBOL NO.	DATE
		<input checked="" type="checkbox"/> 8213	23 Jul 55
ANALYST		DATE PROCESSED	DISSEMINATED IN
<input checked="" type="checkbox"/>		16 August 1957	DATE
DOCUMENT DISPOSITION			
<input checked="" type="checkbox"/> CROSS REFERRED TO THIS FILE		TRANSFERRED TO RI FILE NO.	
PERTINENT INFORMATION			
<p>Idens to following cable in <input checked="" type="checkbox"/> 8214, 24 July 55, enclosed elsewhere in this dossier.</p> <p>"1. <input checked="" type="checkbox"/> HAS BEEN INVITED BY IDEN-A TO ACCOMPANY HER ON VISIT TO IDENS-B, C, D, E, AND F FOR PURPOSE OF FURTHER DISCUSSIONS ON <input checked="" type="checkbox"/> PROPOSALS. <input checked="" type="checkbox"/> BELIEVES THIS IS RECOGNITION BY IDEN-A THAT <input checked="" type="checkbox"/> NOT LIKELY TAKE ANY ACTION VIS-A-VIS PEPRIME INDUSTRIAL INTERESTS UNTIL HE IN POSSESSION SOME FORM OF TANGIBLE EVIDENCE OR BONA FIDES AS TO ACTUAL EXISTENCE GREENTABLE ORGANIZATION AND ITS INTENTS AND PURPOSES. STATION INCLINED RECOMMEND APPROVAL TRIP BUT REQUESTS SPECIFIC AUTHORIZATION HQS IN THIS INSTANCE. SINCE IT POSSIBLE HQS MAY HAVE INFO FROM OTHER DESKS WHICH COULD HAVE BEARING ON DECISION.</p> <p>2. ON BASIS INFO TO DATE, STATION SEES NO SECURITY HAZARD IN TRIP AND FEELS <input checked="" type="checkbox"/> SHOULD COMPLY UNLESS WE TO DROP INTEREST IN <input checked="" type="checkbox"/> OR HQS HAS OTHER MEANS APPROACH. <input checked="" type="checkbox"/> NOW FEELS HE CAN STRING ALONG THE GROUP FOR SEVERAL MONTHS WITHOUT HAVING TO PRODUCE REAL RESULTS IN TERMS OF ACTUAL PARTICIPATION OR INTEREST OF PEPRIME INDUSTRY. SINCE <input checked="" type="checkbox"/> MUST REPLY TO IDEN-A ON THE INVITATION BY 29 JULY, CABLE REPLY IS REQUESTED."</p>			
FILE THIS FORM IN FILE NO.		<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	

FORM NO. 867 REPLACES FORM 867, 1 AUG 54
 1 MAY 56 AND FORM 137 WHICH ARE OBSOLETE.

SECRET

BEST AVAILABLE COPY

064

CLASSIFIED MESSAGE

DATE : 24 JUL 55

SECRET

1	CONTINU
2	
3	

TO : DIRECTOR

FROM : []

ACTION: IOD 4

INFO : COP, F1/R1 2; PP 2, PP/OPS, WE 4, FD 2, S/C 2

1H 27972)

12307 24 JUL 55

ROUTINE

CITE: []

TO: DR

RE: [] (IN 27841)

IDENS:

- A. LILY VAN DER SCHALK
- B. BLUCHER, GERMAN VICE CHANCELLOR
- C. EMILE BUEHRLE
- D. ALFRED KRUPP
- E. SCHNEIDER, CHAIRMAN DUSSELDORF CHAMBER COMMERCE
- F. VAN DER MANDELE

END OF MESSAGE

DECLASSIFIED AND RELEASED BY
 CENTRAL INTELLIGENCE AGENCY
 SOURCES METHOD EXEMPTION 3B2E
 NAZI WAR CRIMES DISCLOSURE ACT
 DATE 2008

ORIGINAL FILED IN:

29 134 0 167
 ABSTRACT INDEX
 DATE : SEP 1955

SECRET

IT IS FORBIDDEN TO MAKE A COPY OF THIS MESSAGE

BEST AVAILABLE COPY

SECRET
(When Filled In)

DOCUMENT TRANSFER AND CROSS REFERENCE						
SUBJECT OF DOCUMENT		DOCUMENT IDENTIFICATION				
Transmittal of Documents		RI FILE NO.	32	7	59	14
		DISPATCH OR SOURCE DOC. SYMBOL NO.			DATE	
		EGNA-7372			15 Sept 55	
ANALY		DATE PROCESSED	DISSEMINATED IN	EVALUATION		
		23 Sept 57				
DOCUMENT DISPOSITION						
<input checked="" type="checkbox"/> CROSS REFERRED TO THIS FILE			TRANSFERRED TO RI FILE NO.			
PERTINENT INFORMATION						
DISPATCH TO: Chief, KUMONK						
FROM: Chief of Station, Germany						
"We are forwarding the following for your use and retention:						
A. A copy of a list prepared in March 1955 by the Embassy Office of Economic Affairs, of the most influential men in Germany in finance, industry and commerce. I suggest that one copy be given to [] This list forms part of the project I am currently working on, determining the names of key personalities in all aspects of West German life; consequently it is presently being revised.						
...."						
(from enclosure A)						
"...."						
<u>DUESSELDORF</u>						
...."						
<u>Alfred von Bohlen and Halbach KRUPP</u>		Owner of Fried. Krupp, Furstahlfabrik, Essen		Steel		
...."						
[]						
FILE THIS FORM IN FILE NO. [] [] [] [] []						

FORM NO. 867 REPLACES FORM 867, 1 AUG 54 AND FORM 127 WHICH ARE OBSOLETE. 1 MAY 56

SECRET

DECLASSIFIED AND RELEASED
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2
NAZI WAR CRIMINALS DISCLOSURE ACT
DATE 2006

BEST AVAILABLE COPY

VIA AIR

DISPATCH NO. OSMA-4360

SECRET
CLASSIFICATION

TO Chief, ME

DATE 10 OCT 1955

FROM [Handwritten]

SUBJECT GENERAL
SPECIFIC Harald KRUPP von Bohlen und Halbach

The attached clipping concerning the repatriation of Harald KRUPP von Bohlen und Halbach, younger brother of Alfred KRUPP, is forwarded in amplification of para 1B, OSMA-4210, which described Harald von BOHLEN und HALBACH as a German POW who collaborated with the Soviets.

12 October 1955

Distribution:

- 3 - Wash (w/att)
- 1 - [Handwritten] (w/o att)
- 3 - [Handwritten] (w/o att)

Attachments: 1 clipping

Handwritten notes:
C-11215
C-11215-2
Krupp's children
Alfred Krupp
in the USSR

SECRET
CLASSIFICATION

COPY

FORM NO. 51-28A

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

BEST AVAILABLE COPY

OSMA-4362

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2501

IP

NAZI WAR CRIMES DISCLOSURE ACT

NEW YORK HERALD TRIBUNE, PARIS, MONDAY, OCTOBER 14, 1955

**Krupp Scion
A Released PW**

CAMP FRIEDLAND, Germany, Oct. 9 (A.P.).—A son of the Krupp armament dynasty came back today from a prison camp in Russia, where two other sons died in fighting in the last war.
1st Lt. Harald Krupp von Bohlen und Halbach, 38, arrived at the West German frontier in a freight car packed with 25 other former inmates of a Sverdlovsk labor camp.
His eldest brother, Alfred, received back more than \$150,000 worth of confiscated Krupp industrial enterprises in 1951 after his war-crimes sentence was commuted by the United States government.

MICROFILMED
JUL 26 1965
D.C. MICRO. SER.

Oct 14 to 15 1955 - 450

INDEX

Encl. 1

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHODS EXEMPTION 3828
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

CS COPY

13 Oct 55

ed
State
FOR COORDINATION WITH

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2001

NAZI WAR CRIMES DISCLOSURE ACT

CONFIDENTIAL

CAABA

23
Action
EUR
Info
RMR

Control: 1294
Rec'd: DECEMBER 2, 1955
4:48 PM

FROM: BONN
TO: Secretary of State
NO: 1817, DECEMBER 2, 3 PM

SS
G
SP
C
L
E
P
UOP
OLI

ALFRED KRUPP'S CHIEF EXECUTIVE, BERTHOLD BEITZ WILL BE IN WASH WEEK BEGINNING DEC 6 AND WILL PROBABLY ATTEMPT TO SOUND OUT ATTITUDE OF DEPT ON POSSIBILITY KRUPP RETAINING RHEINHAUSEN STEEL WORKS.

OCB
USIA
CIA
OSD
ARMY
NAVY
AIR
DCL

THIS EFFORT BEITZ LINKED WITH ALL OUT CAMPAIGN OF KRUPP TO GET HIS FIRM RELEASED FROM OBLIGATION NOT TO ENGAGE IN STEEL OR COAL PRODUCTION. CAMPAIGN WILL BE INITIATED ON PUBLIC OPINION FRONT WITH ATTEMPT TO SHOW THAT KRUPP WAS DISCRIMINATED AGAINST AND THAT AGREEMENT WHICH IT WILL BE MAINTAINED HE SIGNED UNDER DURESS WAS CONTRARY TO ARTICLE 12 OF BASIC LAW GUARANTEEING EVERY INDIVIDUAL RIGHT TO ENGAGE IN WHATEVER BUSINESS HE CHOOSES.

OUR INFO ALSO INDICATES THAT STAFF OF INTERNATIONAL LAWYERS PERHAPS TO BE HEADED BY STRUVE HENSEL WILL WORK ON BRIEF ALTHOUGH WHAT COURT WOULD ENTERTAIN LITIGATION IS NOT CLEAR. EMBASSY HAS BEEN APPROACHED INFORMALLY ON SEVERAL OCCASIONS BY KRUPP'S REPS AND OUR ATTITUDE HAS BEEN CONSISTENTLY THAT CASE IS CLOSED (REPEAT CLOSED).

POSSIBILITY ALSO EXISTS THAT KRUPP WILL AGREE TO GET BACK INTO WAR PRODUCTION FOR WESTERN DEFENSE IF RESTRICTIONS REMOVED OFFICIALS NORTHROP AIRCRAFT CO. PRESENTLY NEGOTIATING WITH KRUPP FOR CONTRACT CALLING FOR COMBINED EFFORT ON DEVELOPMENT OF TACTICAL AIRCRAFT ARE AWARE OF THIS AND HAVE BEEN INSTRUCTED BY NORTHROP TO GIVE NO ENCOURAGEMENT TO IDEA THAT US GOVT WOULD CONSIDER EVEN REMOTELY ANY SUCH QUID PRO QUO RELATIONSHIP.

CONANT

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

CONFIDENTIAL

REPRODUCTION FROM THIS
COPY, IF CLASSIFIED, IS
PROHIBITED

BEST AVAILABLE COPY

NAZI WAR CRIMES DISCLOSURE ACT

SECRET
 (When Filled In)

DOCUMENT TRANSFER AND CROSS REFERENCE			
SUBJECT OF DOCUMENT		DOCUMENT IDENTIFICATION	
Register of Key Personalities		RI FILE NO.	32 7 27 645
		DISPATCH OR SOURCE DOC. SYMBOL NO.	EGQA-72415
		DATE	23 Dec 55
ANALY		SOURCE CRYPTONYM	DATE OF INFO. EVALUATION
DATE PROCESSED		DISSEMINATED IN DATE	
23 Sept 57			
DOCUMENT DISPOSITION			
<input checked="" type="checkbox"/> CROSS REFERRED TO THIS FILE		TRANSFERRED TO RI FILE NO. 1	
PERTINENT INFORMATION			
The above referenced document is INACCESSIBLE.			
<p>von BOHLEN, Alfred</p> <p>32-7-27-645 EGQA-72415 Page 49</p> <p>Owner of Fried. Krupp, Gusstahlfabrik, Essen. (Steel) Duesseldorf Most influential man in Germany in finance, industry and commerce</p> <p>Alias: von HALBACH, Alfred KRUPP, Alfred</p> <p>THIS FILED IN MAIN INDEX</p>			
<p>DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCES METHODS EXEMPTION 3B2B NAZI WAR CRIMES DISCLOSURE ACT DATE 2001 2006</p> <p>23 Dec 1955</p>			
FILE THIS FORM IN FILE NO.		→	

FORM NO. 867 REPLACES FORM 867, 1 AUG 54
 1 MAY 56 AND FORM 137 WHICH ARE OBSOLETE.

SECRET

(7-48)

BEST AVAILABLE COPY

OFFICIAL DISPATCH

57

VIA AIR
(Specify Air or Sea Route)

DISPATCH NO. LG W-27574

CLASSIFICATION

JAN 28 1956

TO Chief of Station, Germany

DATE

FROM Chief, EE

INFO: PGB

SUBJECT GENERAL - Operational/CURT/LOCI-PROVE
SPECIFIC - German Collaborators in the USSR

JUN 11 1962

1. A Madrid source has reported that the following named Germans collaborated with the Soviets during internment in the USSR. Source information evaluation of this report is K-3.

a. Walter BEHRENS. Born about 1905; 1.52 meters tall; wavy blond hair; very light blue eyes; thick protruding lower lip; long face; long straight nose; thick eyebrows; slow and swaying walk; deep hoarse voice; calm temperament. He spoke perfect Russian, English, French, Italian, Spanish, Greek, Latin, and all the Slavic languages. He has a Ph. D. in mathematics and nuclear physics. A Marxist, he testified against General HERMAN in 1953 in Sverdlovsk. He said he had been in Lubianka and the Russians had proposed that he go to England to work, but he had not accepted. He has a sister married to a British Naval Officer. His mother, Frau Hea BEHRENS, lives at 24a Kiel, Waldemog, #26. Source last seen BEHRENS in Camp No. 1 in the Urals in 1953. Date of information: 1953.

b. Harald von BOHLEN und HALBACH. Born 30 May 1916. 1.90 meters tall; very thin; pale face; straight black hair; dark eyes; small childish oval face; sparse beard; small mouth and nose; wears a size 47 shoe; energetic and authoritative temperament. He was in Lubianka with EBERLES and Doctor FICHER, who died as a result of ill treatment from the Russians in the prison in Sverdlovsk. The other two were freed. Subject testified against General HERMAN and the Spaniard FRU BOCA. He has a family in Essen, Bredenev (22a) Frankenstrasse 379. He claims to be related to KRUPP. Date of information: 1953.

c. Heinrich ZIEBERMANN. Born 13 August 1899. 1.70 meters tall; thin; nervous; grey eyes; angular face; blond hair; German SS mark beneath one armpit. He taught in the anti-

(Relating officer)

(Coordinating officer)

(Authenticating officer)

INDEX

FORM NO. 51-29
JUN 1949

CLASSIFICATION

IS COPY

LI COPY

32-6-33

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

(8) WALTER, Walter, born 21 November 1905, living at Truckstr. 5; case appears on C. O. F. A. report as arrested 2 October 1945, charges unknown; formerly a Gruppenführer A.S.G. in 1932-1934, A.S.T.F. in 1934. (Date of report: October 1945.)

(9) WALTER, Walter, b. 130111, promoted to 1st t-sturmführer (Reserveführer), Sgt. 10 2d Pa. Div. Trundberg. (C. O. F. A. report, November, 1944.)

(10) WALTER, Walter, born 23 May 1909, an U-tur in 1936, Party No. 1754112, no. 267333, employed in the U in 1936. (C. O. F. A. report, date unknown.)

(11) WALTER, Walter, born in 1896, height 5'7", brown hair, glasses, slim, was fanatical Nazi, chief of the technical department (1944), director of the City works (gas, electricity, etc.) of Kiel, was well known in technical circles. (C. O. F. A. report, date unknown.)

(12) WALTER, Walter, born 2 May 1911, living at Unghaven Grosse Hausweg 24, C. O. F. A. case 19773, repatriated from Mexico, date unknown. (C. O. F. A. report, date unknown.)

(13) WALTER, Walter, German, born 27 May 1913 at Cob-
hagen, Germany, single, previous residence with father,
Lehrich, and mother, Irma, at Brosshalwie 34, Copenh-
agen. Left Germany 29 June 1939 for Mexico on the U. S. S. S. S. and
was taken into custody on 11 March 1941 at Aerote Cabelly,
Venezuela. He denied ever having joined the Nazi party.
Voluntarily returned to Germany. (See quarters card.)

c. FICHER, (Dr.) Oskar

(1) FICHER, Oskar, Gestapo agent and factory worker at
the Spanno-siza factory, Tarbes, France. (Headquarters
card.)

(2) FICHER, Oskar, engaged in ecclesiastical affairs in
France. Possibly working with the U. S. S. S. S.; German, born about
1902-1906, medium build, brown hair, grey eyes, long face,
wore civilian clothes, spoke good French. (Headquarters card; April,
1945.)

(3) FICHER, Oskar (see an earlier living in Aracena (Brazil)
again during the summer of 1944, who controlled the minerals
leaving the mines of Rio Tinto and Terva. He used to
meet Germanophiles of the town in Aracena at the home of
one U. S. S. S. S. In Aracena, he would go with the children of
U. S. S. S. S. on picnics at Rio Tinto and Te Va, where he would
gather the data he needed. (Headquarters card.)

(4) FICHER, Rudolf, German national interned at Camp
Prison de Carranza, Vizcaya Province, Spain. (Headquarters
card.)

archive report; date of report unknown, probably circa 1945.)

d. KRUPP von Bohlen und Halbach, Harald

(1) KRUPP von Bohlen und Halbach, Lt. Harald, member of the KRUPP family of Essen, reported in September, 1944 to be in a camp of German Officers POWs at Cazarna "Friedal", Regt. 21 Inf. Str. Gen. Angelescu, near Bucharest. He was to be turned over to the Russian Consulate in Bucharest. Source of the report was one WILSON, former sub-agent of General Foods in Romania, subject of the document, from which the above information was taken, is shown as "member of KRUPP family and former director of Opel in Romanian prison camp". (Headquarters Archive Report, 25 September 1944.)

(2) KRUPP von Bohlen und Halbach, (Mrs.) brother of convicted KRUPP von Bohlen und Halbach, was transferred in the fall, 1949, from Camp 7027/1 in the U.S.R. to an unknown destination. He is the third son of the KRUPP family of Essen, politically inactive, and was working as a messenger for Soviet camp personnel. (Source: German national returning from the U.S.R. in September, 1949. ODU I. report, 14 March 1950.)

e. REICHMANN, Heinrich

(1) REICHMANN, Dipl. Kfm. Heinrich, Lordliche Auf-fuhrtsalle 23, Munich 19, wrote to Colonel Arthur Dr. Franz REICHEL, Camp McCain, Mississippi, that he, REICHMANN, had bought Venetian and Dutch pictures by having managed a number of most important art galleries in the past. (Date of information: October, 1944; Headquarters card.)

(2) REICHMANN, Heinrich, Str. ... in ... Abteilung III Staatspolizei, Heustadt a.d. Weinstrasse. (Date of information: February, 1944; Staff card.)

(3) REICHMANN, Heinrich, name appears on list of SAFT personnel at Heustadt a.d. Weinstr. during the period August, 1939 to August, 1940. (Headquarters archive reports.)

(4) REICHMANN, Heinrich, German, born 28 July 1900 at Hopperschoss, passport #5057, issued at Munich on 6 May 1954, stopping at Hotel Villa de France at Tangiers; name appears on list of travelers entering Tangiers on 1 February 1954. (OSMA-749, 14 December 1954.)

(5) REICHMANN, Heinrich, born 7 January 1897 at Wald-Katzenbach, Germany, German national; application for entry into the United States denied 3 March 1951 because of having

32 G-53

...member of the NSDAP and the SA Reserve. (DIT-909, 28
...not 1951.)

(6) ... Unit, ... rich, ... Austria, ...
in the ... office, ... moved his residence in
April, 1951 from Vienna I to Vienna II. (circ-information
evolutionary ...; ... 2744, 26 April 1951.)

E ...]

23 January 1956

Distribution:

- 3 - GOS
- 2 - FOB
- 1 - RI
- 2 - EE/G/CE

EE/G/CE/GwF:pt

[]
y/...
EE/G -

[]
EE/G

32-6-32-3345

NO MA 778

VIA AIR
Priority Air Mail Route

DISPATCH NO. 117-778

CLASSIFICATION

TO Chief, IEA

DATE 16 February 1956

FROM

INFO

SUBJECT GENERAL Operational
SPECIFIC West German Interest in India

R.F: 117-78

Local press has of late reflected an increasing interest of the Federal Republic of Germany in India. The attached clipping, taken from the Indian Express, Nagas, 9 February 1956, reporting the proposed trip of Alfred Krupp is typical. This item was referred to in 117-79 in connection with (Professor) Kurt Tank.

E - 2

Attachments:
Clipping from 9 Feb Indian Express

Distributions:
5 - Chief, IEA w/encl
2 - INFO w/o encl
2 - Files

BEST COPY

CLASSIFICATION


FORM NO. 51-28A
MAY 1956

117-778-1

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

BEST AVAILABLE COPY

SECRET
(When Filled In)

DOCUMENT TRANSFER AND CROSS REFERENCE			
SUBJECT OF DOCUMENT		DOCUMENT IDENTIFICATION	
re Alfred KRUPP	RI FILE NO.	Not	Classified
	DISPATCH OR SOURCE DOC. SYMBOL NO.	DATE	
	ESBA-4371	8 March 56	
ANALYST	DATE PROCESSED	DISSEMINATED IN	DATE
<i>C</i>	20 Sept 1957		
DOCUMENT DISPOSITION			
<input checked="" type="checkbox"/> CROSS REFERRED TO THIS FILE	TRANSFERRED TO RI FILE NO. :		
PERTINENT INFORMATION			
<p>RYBAT (paraphrased)</p> <p>.... Atanasios BODISAKIS, Greek Armaments dealer, expressed admiration for <u>Alfred KRUPP</u> as a very able man who knows how to do business. A supposition on the part of Source (described as extremely reliable) is that KRUPP had invested with BODISAKIS in some Greek enterprises.</p>			
FILE THIS FORM IN FILE NO. 		<i>8000 36</i> <i>C</i> <i>D</i>	

FORM NO. 867 REPLACES FORM 867, 1 AND 54
1 MAY 56 AND FORM 137 WHICH ARE OBSOLETE.

SECRET

(7-66)

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHOD EXEMPTION 382
NAZI WAR CRIMES DISCLOSURE AC
DATE 2006

BEST AVAILABLE COPY

VIA: AIR
(SPECIFY AIR OR SEA ROUTE)

DISPATCH NO. EGEA-11104

SECRET
CLASSIFICATION

~~KAPOK~~ *2P* ~~2P~~

TO : Chief, EE

DATE: 26 June 1956

FROM : Chief of Base, Frankfurt

INFO: 008

SUBJECT: GENERAL— Operational *()* Support

SPECIFIC— Request for OO on IDENTITY A

~~UNRECORDED~~
~~JUL 26 1956~~
~~DOC. MORG. SER.~~

1. IDENTITY A is the father *()* who brought him to our attention as being of possible interest to FOB/SAT as a spotter in our Legal travel program. Since IDENTITY A has spent most of his life in Europe and was described as having numerous business contacts with West German firms, we expressed interest in meeting IDEN A on a purely social basis as a preliminary step to possible subsequent development as a cleared spotter and support asset for FOB/SAT. Accordingly *()*, using his *()* was recently introduced socially to IDEN A by *()* at the latter's residence here in Frankfurt during one of his periodic visits to West Germany.

2. During this occasion we spent considerable time discussing a mutually interesting topic, East-West trade. He is a Vice Director of IDENTITY B, which is concerned with the export and import of large shipments of primarily raw materials for manufacturing purposes between West European countries and the United States. His background experience in European business circles is very extensive and dates back to his first job in Germany from 1928 to 1937 when he was employed with the Berlin branch of the National City Bank of New York. At the end of 1937 he transferred with the same bank to England where he served in the London Branch office until 1940. Later, in 1940, he spent some time in Germany *!!* on business; returned to the United States late 1940 when he resigned from the National City Bank of New York. He then took a job with IDENTITY C with whom he worked until 1945. He returned to Europe in the early part of 1946 as a representative of the KRAFT Cheese Company, spending most of his time in West Germany. In 1947 he joined IDEN B. He has been resident at his present address (see IDEN A) since early 1946.

3. Although IDEN A could be described as a sort of "Jack-of-all-Trades," he seems finally to have found in his present firm, the kind of work he likes most. His numerous contacts in West Germany, dating as far back as 1928, are apparently being used by him to the very best advantage in promoting business deals for his firm. Vance was particularly interested in his close contacts with many of the senior executives in the BADISCHE ANILIN U. SODAFABRIK in Ludwigshafen, and the FABWERKE-HOECHST in Frankfurt. He stated that these firms are making rapid progress

INDEX

REF ID: A51-28A *1st L W*

SECRET
CLASSIFICATION

CS COPY

~~KAPOK~~ 26 Jun 56

Schwartz
Edwards
(for OAO)

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

~~SECRET~~ KAPOK

Page Two
EGFA-11104

in re-establishing their former dominant position (as I.G. FARBEN) in chemical trade with the Satellites, and that they have inaugurated long-term programs which might be described as a "private Point Four" approach to develop extensive trade with the Satellites and the Far East. This includes special training courses of Satellite technicians as well as the dispatch of numerous representatives and technicians from these firms into Satellite countries to re-establish the former contacts of the I.G. FARBEN combine. Among his close German friends here in Frankfurt is Herman J. ABS, head of the influential SUEDEDEUTSCHE Bank in Frankfurt.

4. IDEN A is a typical American businessman in that his primary interest is to make money. He believes that the American Government's expenditure of vast amounts of funds for foreign aid programs is not the most prudent use of our taxpayer's money and that the same goals could be accomplished more effectively if American private business were given the opportunity to assist under-developed countries through economic trade. He cited the recent visits to India and the Middle Eastern countries by Alfred KRUPP and Fritz BERG, president of the BUND DEUTSCHER INDUSTRIE, both of whom appear to be making substantial progress in doing exactly what IDEN A is referring to.

5. At the end of the evening, the undersigned drove IDEN A to his downtown hotel, during which time he volunteered the fact that he was an old friend of William DONOVAN. Perhaps this was intended as a cue for me to reveal my true interests, if he suspected them. The undersigned merely expressed interest in this and hoped we would meet again soon. He agreed to be my dinner guest during one of his early visits to Frankfurt.

6. COS files contain no traces on Subject. The undersigned intends to assess him further before drawing a final conclusion regarding his usefulness, but it appears that he could be helpful, especially to introduce some of our case officers to German businessmen of the type who could serve as legal travel spotters for us. It is also conceivable that he might be able to furnish good commercial cover backstopping for one or two agents in West Germany. It is therefore requested that Headquarters furnish an operational clearance as soon as possible to permit the undersigned to gradually develop and recruit IDEN A for the above purpose.

Attachments:
Identities UNSEPOOV

Distribution:
3-EM w/Idens. S/C (DIRECT)
2-COS w/Idens. S/C

~~SECRET~~

~~KAPOK~~

26 Jun 56

SEPARATE COVER Attachment

EGFA-11104

~~SECRET~~

IDENTITIES

IP

- A: BANTA, Kenneth W. Vice Director of IDEN B; age 63; widower - divorced first wife, second wife deceased. White hair; approx 175 lbs., distinguished appearance. Present address: Hotel Baur au Lac, Zurich, Switzerland
- B: World Commerce Corporation
- C: * MANN, Henry. Trader in phosphates, New York City

Att 1. to EGFA-11104

~~SECRET~~

CS COPY

~~SECRET~~

26 Jun. 56

SECRET
(When Filled In)

Printed INDIS

DOCUMENT TRANSFER AND CROSS REFERENCE

SUBJECT OF DOCUMENT		DOCUMENT IDENTIFICATION		
Re Alfred KRUPP		RI FILE NO.	Not	Classified
		DISPATCH OR SOURCE DOC. SYMBOL NO.		DATE
		EGFA-11104		26 June 56
ANALYST		DATE PROCESSED	DISSEMINATED IN	DATE
C		20 Sept 1957		
DOCUMENT DISPOSITION				
<input checked="" type="checkbox"/> CROSS REFERRED TO THIS FILE		<input type="checkbox"/> TRANSFERRED TO RI FILE NO.		

PERTINENT INFORMATION

KAPOK

"...."

4. Iden A (Kenneth W. BANTA) is a typical American businessman in that his primary interest is to make money. He believes that the American Government's expenditure of vast amounts of funds for foreign aid programs is not the most prudent use of our taxpayer's money and that the same goals could be accomplished more effectively if American private business were given the opportunity to assist under-developed countries through economic trade. He cited the recent visits to India and the Middle Eastern countries by Alfred KRUPP and Fritz BERG, president of the Rund Deutscher Industrie, both of whom appear to be making substantial progress in doing exactly what Iden A is referring to.

...."

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

26 June 56

FILE THIS FORM IN FILE NO.



FORM NO. 867 REPLACES FORM 867, 1 AUG 54
1 MAY 56 AND FORM 137 WHICH ARE OBSOLETE.

SECRET

BEST AVAILABLE COPY

OFFICIAL DISPATCH

VIA AIR
(Specify Air or Sea Route)

DISPATCH NO. 101-10110

SECRET
CLASSIFICATION

TO Chief of Station, Germany

DATE

FROM Chief, EE

INFO: None

SUBJECT { GENERAL - Operational, CADGET
SPECIFIC - Report on Nehru's Recent Travels

ACTION REQUIRED: None

For your background information, we are forwarding under separate cover a C-3 report on Prime Minister Nehru's recent trip to Yugoslavia, West Germany, England, and France. The source of this report is an Indian official with established access to members of Nehru's advisory staff during the trip. The information is regarded as highly sensitive and is to be tightly held.

Attachment: A/S USISPOV (TDCS-14750)

Distribution:

- 3 - COS, W/2 c/s. att. U, G, C
- 2 - Room
- 2 - EE/G, W/O
- 1 - EE, W/1 cy. S/C att. 08/14/51

7 August 1951, SdeW:fd

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

EE/G
(Authorizing official)

EEA, 5/India
(Classifying official)

EE/G
(Authorizing official)

SECRET
CLASSIFICATION

SECRET

REF ID: A674-29918

Jul 1950

Results of Discussions Held by Prime Minister Nehru During His Recent Trip to Yugoslavia, West Germany, Denmark, and France

1. Prime Minister Nehru was extremely pleased with himself at the Commonwealth talks. Next to Prime Minister Anthony Eden, he considered himself the most important figure at the meeting. Nehru was somewhat disappointed with the Canadians; he thought their attitude toward the USSR was too similar to the American approach.

2. Madame Fawcett, British Ambassador to Great Britain, is due to return to London within 10 days. Nehru regards her highly.

3. Nehru treated the British Socialists somewhat skeptically. He spent far more time with Conservative party leaders.

4. There is a strong possibility that the Duke of Edinburgh will visit New Delhi during the coming winter on his return from the Olympics in Australia.

5. Nehru approached the visit to West Germany with a suspicious attitude. However, this attitude changed dramatically within 24 hours after the visit began. Nehru, who liked the Germans and the preparations made for the visit, was touched by the German announcement of Indian scholarships and the offer to build a science institute.

6. Nehru was impressed particularly by the extent and scope of German economic development. He was almost visibly overcome by the detailed statistics on German industrial production shown him by the Indian embassy in Bonn. Nehru was also struck by the documentation shown him on the numbers of East German flights to the West.

7. The most important immediate result of the visit was Nehru's decision not to recognize the East German regime. (Source comment: It is not believed that Nehru informed Adenauer of this decision.) (Headquarters comment: according to press reports, Nehru refused to say he would not recognize the East German government.) Before his visit there was a 50-50 chance that Nehru would recognize East Germany soon. There is now no possibility of Indian recognition, at least in the foreseeable future. Nehru stated that recognition of East Germany would be "entirely unjust to the West Germans."

8. During his stay in Bonn, Nehru received an invitation to visit East Germany but declined. (Source comment: ... Ambassador, Indian Ambassador to West Germany, and the Indian embassy staff in Bonn are strongly pro-German in outlook.) Haushofer has requested retirement next year; he is considering returning to journalism and residing in Europe.

SECRET

SECRET

9. Nehru was greatly impressed by the Krupp works. Alfred K. Krupp on Boden and Hiltach, head of the Krupp works, is now entertaining Dootchandram, secretary of the Indian Ministry of Iron and Steel, and has given the latter the use of his private plane.

10. In a speech before a private group at Bonn, Nehru failed to reiterate all of the five principles of Panch Sheel. He remembered the first three but had a distinct lapse of memory regarding the last two.

11. Nehru's visit to France resulted in nothing more than a reiteration of Nehru and French leaders of views previously stated. Nehru is fond of the French and though he had done them a favor at Brioua by persuading Jassal Abd-el-Nasr to accept a moderate position on the French settler problem in Algeria, Nehru was hurt and puzzled by the French criticism of the Brioua communiqué.

12. At the Brioua conference Nehru had four main objectives: He wanted to hear the views on the USSR; he wished to emphasize to Tito his reactions on West Germany; he wanted to give Tito and Nasr a summary of the commonwealth talks; and, finally, he wanted to moderate Nasr's stand on Israel and the Algerian issues.

13. According to Rajeshwar Lal, Indian Ambassador to Yugoslavia, Tito at a closed session on the first day of the conference, made the following points regarding the USSR:

A. The new look in the USSR is genuine. The anti-Stalinism of N. Khrushchev, M. Dalgakov, and V. Mikoyan represents a sincere expression of outlook.

B. Stalinist minority remains. Tito cited V. K. Molotov, L.M. Aganovich, and G. Malenkov as members of this minority.

C. Khrushchev is the single most important individual, but Stalinists like Molotov still have a residue of power. Differences however, are kept well beneath the surface and are not apparent.

D. B. P. Zhurilo is not important.

E. Other countries should assist Khrushchev in responding positively to his policies. The more the West, that is, the U.S., opposed and frustrated Khrushchev, the more strength would accrue to the Stalinists.

F. West leaders have not let give up the concept of two distinct world blocs. The Soviets have faith in the belief that two blocs can co-exist. Tito told Nasr and Nehru the edges of the two blocs are and

SECRET

SECRET

will continue to crumble above. The dissolution of the Cominform was a significant event.

G. The Poznan riots were a clear example of the liberalization in the satellites that has taken place. The riots could not have happened under Stalin. Asked by Nehru if the Poznan riots were American-inspired, Tito said they were not. The Poznan riots, according to Tito, were merely a sign of the times.

H. Tito said the liberalization trend among the satellites was widespread and could be reversed only with great difficulty. The West must do everything possible to assist this trend.

I. Tito said that he had told Soviet leaders that while he and they had many common interests, they would continue to have differences based on different national needs.

14. According to Dyal, Nehru asked Tito at a closed meeting, "How can you explain the exodus of the East Germans?" Tito was taken aback on this question and tried to explain the exodus on the basis of superficial capitalistic clamor in West Germany. Nehru refused to accept this explanation and stated that the exodus obviously involved deeply-held beliefs. (Headquarters comment: A report to another government agency dated 23 July 1955 discussed Dyal's views on Nehru's role at the Bristol conference.)

15. Nehru told Dyal confidentially that it was obvious that Tito was much closer to the Soviets than last year but that Tito was still a Yugoslav nationalist above all.

16. During the discussions on German reunification, Nehru was not willing to support Tito on a statement favoring direct East-West German negotiations. Dyal said the use of the vague term negotiations was a Nehru strategy. Not only did Nehru avoid specific support on the Soviet position on the German question, but he also persuaded Tito to modify his stand from that announced during the Moscow visit.

17. According to Dyal, Nehru and Tito jointly pressed Nasser to take a moderate stand in the communique on Israel and Algeria. Nehru was responsible for persuading Nasser to consent to a communique statement on legitimate economic interests. (Dyal is correct. Subsequent Nasser action on the Suez canal must in a shorted Nehru.) In the opinion of Egyptian correspondents at Bristol, Tito and Nehru committed Nasser for the first time to a peaceful settlement of Israel and Algeria. (Dyal's comment: news of the U.S. and U.K. cancellation of financial support for the Suez Dam project was not revealed to Nasser until after the conference had broken up.)

18. According to Dyal, there was limited discussion about the U.S. at the conference. There was general admission that little serious could be done with the U.S. was possible until after the presidential election. All agree

SECRET

leaders took the stand that the U.S. was more to blame than the USSR in not supporting cold war relaxation measures. None of the criticisms of the U.S. was strongly hostile.

19. Nehru stated in closed session he was pleased with the moderation of Communist Chinese policy. (Source comment: It is not believed there was any discussion regarding plans to get Communist China into the United Nations. It is not known if there were any discussions on USSR-China relations.)

20. Dayal stated that a Yugoslav source seven days earlier had told him that the Soviets were backtracking on offers of economic aid to the middle east because Communist China was putting pressure on the Soviet Government not to adopt aid programs in the middle east which would limit the extent of aid for China.

21. Nehru was asked briefly a question about the status of the Communist Party of India (CPI). Nehru answered that the CPI is in a state of confusion and weakness. (Source comment: It is not believed that the subject of Soviet subversion was discussed, nor was there any discussion of Iraq, the Baghdad Pact, and the Balkan Pact.) Cyprus was discussed. (Source comment: No specific details were known. It is quite certain that Goa, Kashmir, and Pakistan were not discussed.)

22. According to Dayal, Tito made up a list of advisors who would attend the closed session. Indian advisors were H. V. Pillai, Minister of External Affairs, and Dayal. M. C. Vithal, special assistant to Nehru, was not included, which made him extremely angry. The Yugoslav advisors were Aleksandar Rankovic and Edvard Kardelj, two Yugoslavian Vice-Presidents, and Koon Tian, Secretary of State for Foreign Affairs. The Egyptians were Ibrahim Awad, Minister of Foreign Affairs, Ali Dori, Chief of the Cabinet to the President, and a third person. (Field comment: Source could not remember the identity of the third person.) Husayn Rabhi, Egyptian ambassador to Yugoslavia, was not included. Dayal stated that Rabhi appeared to be out of favor and was not recalled soon. The Egyptians used a Yugoslav interpreter.

23. Both Tito and Nasser, according to Dayal, made frequent use of advisors. Whenever a new subject came up for discussion, Tito, and particularly Nasser, would confer with their respective staffs for briefing purposes. (Field comment: Source was unable to learn whether any particular advisors had unusual importance.)

24. According to Dayal, Nehru and Tito did the bulk of the talking at the conference. Tito spoke mainly on the sea and satellite development. Nehru, on Communism, the Commonwealth, and the Middle East. Nasser without question was treated as a junior partner. Nasser listened to Nehru and Tito with interest. He did not resent his subordinate role. Nehru still regards Nasser as a bona fide, good-intentioned man, but who is still growing up. (Field comment: It was reported in 11-30-52 that Nehru regarded Nasser as a rather naive Communist.)

SECRET

SECRET

26. Security restrictions on Brioni were minimal. Nehru did not bring a bodyguard from India on the trip.

27. The first communique was drafted by the Yugoslavs. Nehru objected to it. He said too many of the same expressions were used in the earlier Egyptian-Yugoslav communique. Nehru also felt privately that the English of the Yugoslav draft was poor. Nehru's offer to do the new draft was accepted. He dictated the bulk of it while Tito and Naar were watching the final Review.

28. Nehru stated at the close of the conference that U.S. policy toward the Yugoslavs was stupid. In Nehru's view, Tito would be a useful tool of the Americans if handled properly. Nehru remarked that the USSR realized the value of Tito and was acting accordingly. Nehru pointed to the forthcoming Mikoyan trip to Belgrade, he considered it a good example of how the USSR was cultivating Tito. (Field comment: source was unable to acquire any substantive information on the Mikoyan visit. The general impression he received was that Mikoyan was briefed on the Brioni conference and he in turn briefed Tito on the satellites.)

FIELD DISSEM: NONE

3 December 1956

MEMORANDUM FOR RECORD

SUBJECT: [] Debriefing
Washington, 29 November 1956

[] reported on his trip to Germany 20 October
to 28 November 1956 under []

9. VON BELLERSHEIM - Was in Germany but [] will make
contact with him and inform [] by mail when Bellersheim
returns to Germany.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

C³ Dec 1956
[]

E
X
T
R
A
C
T

EGQA-83973

11 December 1956

Chief, EE

Chief of Station, Germany

Operational

INFO: Chief, Bonn
Berlin
FOR

Contacts during TDY 21 Oct - 27 Nov 1956.

Men 6 - This was one of the contacts [redacted] was requested to re-establish. Unfortunately, Iden is now in India and therefore no contact was effected.
VON BELLESERIAN

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

BEST AVAILABLE COPY

11 Dec 1956

100-271-3368

bch

SECRET
(When Filled In)

ZEVADA MARTINEZ (DE) CASTRO
Ricardo Jos

DOCUMENT TRANSFER AND CROSS REFERENCE			
SUBJECT OF DOCUMENT		DOCUMENT IDENTIFICATION	
Ricardo J. ZEVADA Visit with Lazaro CARDENAS		RI FILE NO.	C JK
		DISPATCH OR SOURCE DOC. SYMBOL NO.	DATE
		HMM-2354	23 Jan 57
ANALYST	DATE PROCESSED	DISSEMINATED IN	EVALUATION
C	15 August 1957		C-3
DOCUMENT DISPOSITION			
<input checked="" type="checkbox"/> CROSS REFERRED TO THIS FILE	TRANSFERRED TO RI FILE NO. 1		
PERTINENT INFORMATION			
<p>"1. On or about 10 December 1956, Ricardo J. ZEVADA, Director of the BANCO NACIONAL DE COMERCIA EXTERIOR of Mexico, traveled to Uruapan, Michoacan where he met with former Mexican president, General Lazaro CARDENAS. ZEVADA was accompanied on this trip by Manuel HINJOSA Ortiz, Secretary of State for Forest Resources and reportedly one of the chief Cardenista representatives in the Mexican government, and Alfred KRUPP Von Bohler und Hallbach, representative of the German Krupp combine, then visiting in Mexico.</p> <p>2. According to the source, the group discussed with CARDENAS the construction of a steel plant in the State of Michoacan. The KRUPP interests were reportedly to participate in the project and ZEVADA was to have a financial interest in the plant.</p> <p><u>Field Comment:</u> ZEVADA is a contact of the Soviet Embassy in Mexico and is an associate of Narcisso BASSOLS, a Soviet contact and a leading Mexican Communist-frontier."</p>			
FILE THIS FORM IN FILE NO.			

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

23 Jan 57
BEST AVAILABLE COPY

FORM NO. 867 REPLACES FORM 867, 1 APR 54
AND FORM 137 WHICH ARE OBSOLETE. 1 MAY 54

SECRET

(7-44)

CONFIDENTIAL
NOFORN

OPERATIONAL AND SOURCE COVER SHEET

FROM: GERMAN, BOBY REPORT NO.: FOR-577
REPORT MADE BY: C 1070 NUMBER PAGES: 1
REPORT APPROVED BY: C 26 NUMBER ENCLOSURES:
DATE OF REPORT: 13 February 1957 REFERENCES:
DISTRIBUTION: 4-COSO 1-STRAT
By copy to: 2-WASH 3-OCA/Box n
Orally to:
SOURCE CRYPTONYM: C 2 a Krupp ID NO. IG NO.
official KRYPTON: Yes No

SOURCE, OPERATIONAL DATA, AND COMMENTS:

Negotiations between Fried. Krupp, Essen and President Kubitschek of Brazil

P-3
December 1956
9 December 1956

C 2
NOFORN

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

CONFIDENTIAL
NOFORN

AT COPY

SECURITY INFORMATION 32-1-20-5

BEST AVAILABLE COPY

SECRET
C-O-N-F-I-D-E-N-T-I-A-L
EX-100

C-O-N-F-I-D-E-N-T-I-A-L
EX-100

COUNTRY West Germany
SUBJECT Negotiations Between Fried. Krupp, A.G. and Brazilian Institution of Iron and Steel, S.A. (Siderurgica Brasileira S.A.)
Date 11

DATE OF INFO. December 1956
SOURCE A Krupp official (V)

1. Alfred Krupp von Bohlen-Neuburg, during a recent visit to Brazil, negotiated a preliminary agreement with (Brazilian) institution which will eventually lead to the establishment of a large industrial enterprise in that country. Allegedly, the Brazilian government desires the firm to build diesel-electric rail equipment and is prepared to extend tax exemption privileges and other benefits to the firm.
2. Very much to the surprise of some of the leading officials of the firm, who are against extension into foreign markets through erection of branch plants, von Bohlen considered the firm to start building within 1957. Since this enterprise is thought risky, the firm is now trying hard to attract foreign interests in joint participation in this enterprise. The U.S. firm, it is hoped, would furnish the electric components and the know-how necessary to produce the propulsion equipment.

C-O-N-F-I-D-E-N-T-I-A-L
EX-100

CLASSIFIED	GROUP	STATUS
	WASH	COPIES

COPIES

BEST AVAILABLE COPY

The central portion of this document, including the National Defense of the United States within the meaning of the Espionage Laws, Title 18, USC, Secs. 793 and 794, and the transmission or revelation of information in any manner to an unauthorized person is prohibited by law.

C-O-N-F-I-D-E-N-T-I-A-L
NOFORN

R1

COUNTRY	West Germany/Brazil	REPORT NO.	CS -1,307,742
SUBJECT	Negotiations Between the West German Krupp Firm, and its Subsidiary, in Brazil	DATE DISTR.	6 March 1957
		NO. PAGES	1
		REQUIREMENT NO.	RD
DATE OF INFO.	December 1956	REFERENCES	
PLACE ACQUIRED	Germany, Bonn (9 December 1956)		

SOURCE EVALUATIONS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE.

SOURCE: A Krupp official (7). Appraisal of Content. 3

1. Alfred Krupp von Bohlen-Halbach, during a recent visit to Brazil, negotiated a preliminary agreement with President Kubitschok which will eventually lead to the establishment of a large industrial enterprise in that country. Allegedly, the Brazilian government desires the firm to build diesel-electric rail equipment and is prepared to extend tax exemption privileges and other benefits to the firm.
2. Very much to the surprise of some of the leading officials of the firm, who are against extension into foreign markets through erection of branch plants, von Bohlen committed the firm to start building within 1957. Since this enterprise is thought risky, the firm is now trying hard to interest General Electric in joint participation in this enterprise. The U.S. firm, it is hoped, would furnish the electric components and the know-how necessary to produce the propulsion equipment.

C-O-N-F-I-D-E-N-T-I-A-L
NOFORN

STATE	<input checked="" type="checkbox"/>	ARMY	<input checked="" type="checkbox"/>	NAVY	<input checked="" type="checkbox"/>	AIR	<input checked="" type="checkbox"/>	DEF	<input checked="" type="checkbox"/>	SEC	<input checked="" type="checkbox"/>	REC	<input checked="" type="checkbox"/>
-------	-------------------------------------	------	-------------------------------------	------	-------------------------------------	-----	-------------------------------------	-----	-------------------------------------	-----	-------------------------------------	-----	-------------------------------------

INFORMATION REPORT INFORMATION REPORT

EE/EC	<input checked="" type="checkbox"/>	EE	<input checked="" type="checkbox"/>	EE/C	<input checked="" type="checkbox"/>	PP/ECOA	<input checked="" type="checkbox"/>	EGM-577	NO CRYPTO
FE	<input checked="" type="checkbox"/>	FE	<input checked="" type="checkbox"/>	FE/R	<input checked="" type="checkbox"/>				
RE	<input checked="" type="checkbox"/>	RE	<input checked="" type="checkbox"/>	RIGD	<input checked="" type="checkbox"/>				

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

REST

FOR COORDINATION WITH ed State

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2001

NAZI WAR CRIMES DISCLOSURE ACT

M-676

This material is to be controlled and its distribution is to be limited to those personnel who have a valid need to know.
APPROVED
MAR 24 1957
DEPT. OF STATE
RM/R

LIMITED OFFICIAL USE
DEPARTMENT OF STATE
OFFICE OF THE CHIEF
Memorandum of Conversation
PR 11957
COPY
CIA

LIMITED USE 1957
Any use of or reference to this document in any manner whatsoever outside CIA must have clearance through

Non-Application of Settlement Convention (Chapter 1, Article 9) with Regard to Further Deconcentration Action

PARTICIPANTS: Dr. Heinz L. Krekeler, German Ambassador
Mr. Robert Murphy, Deputy Under Secretary of State
Mr. J. J. Reinstein, GER

COPIES TO: G - Mr. Murphy
E - Mr. Dillon
E/BPT - Mr. Dixon
L/GER - Mr. Kearney
EUR
BNA - Mr. Dale
WE

21

GER (2)
GER
GPA
GEA - Mr. Margolies
GEA - Mr. Harlan
Embassy, Bonn (3)
Embassy, Paris
Embassy, London

RECEIVED
OFFICE OF THE CHIEF
ULSAD
MESSAGE CENTER

Ambassador Krekeler referred to Mr. von Kessel's conversation with Mr. Murphy March 7, when he had delivered to Mr. Murphy a letter from Chancellor Adenauer to the Secretary of State requesting that the United States Government not press the German Government to carry out further its obligations under Article 9 of Chapter 1 of the Settlement Convention to dispose of shares in coal and steel properties pursuant to Law 27. The Ambassador mentioned that this matter had been the subject of a reservation by the Chancellor in the Paris Agreements concluded in 1954. The Ambassador said that while some of the properties to be deconcentrated under Law 27 had been sold, others had not. There had been cooperation on the part of some of the interests affected. However, some of the property owners were not cooperating. The Federal Government had no legal power to enforce the sales. The legal experts of the Federal Government felt that the arrangements were unconstitutional. The Federal Government did not believe it was in a position to seek new legislation to carry out its obligations.

The Ambassador said that Chancellor Adenauer had raised this question with Prime Minister Mollat and that he had now received a reply in a positive sense from M. Mollat, who indicated he was inclined to forget about the whole matter. The Ambassador said a similar response had been received from the British Government.

The Ambassador said that the matter had arisen at this time because of the Krupp properties. It appeared from what he said that Krupp had failed to make application under Article 10 of Chapter 1 for extending the time for carrying out the sale of the shares of the Krupp properties. (This has the effect of making the requirement for the sale of the Krupp properties by March 1958 definitive unless the United States, British and French Governments agree not

862201054/3-255

COPY

LIMITED OFFICIAL USE

FOR COORDINATION WITH

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2006

LIMITED OFFICIAL USE

-2-

COPY

to press the Federal Government on the matter.) The Ambassador indicated that the Thyssen properties were the other properties principally involved.

The Ambassador concluded his presentation by saying that it was not the intention of the Federal Government that this matter should be dealt with formally.

Mr. Murphy asked whether the matter was tied up with the elections in some way. The Ambassador said that this was his impression.

R

EUR:GER:JJReinstein/ea
3/27/57

LIMITED OFFICIAL USE

COPY

KUBARK INTERNAL USE ONLY

E
X
T
R
A
C
T

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
841
842
843
844
845
846
847
848
849
850
851
852
853
854
855
856
857
858
859
860
861
862
863
864
865
866
867
868
869
870
871
872
873
874
875
876
877
878
879
880
881
882
883
884
885
886
887
888
889
890
891
892
893
894
895
896
897
898
899
900
901
902
903
904
905
906
907
908
909
910
911
912
913
914
915
916
917
918
919
920
921
922
923
924
925
926
927
928
929
930
931
932
933
934
935
936
937
938
939
940
941
942
943
944
945
946
947
948
949
950
951
952
953
954
955
956
957
958
959
960
961
962
963
964
965
966
967
968
969
970
971
972
973
974
975
976
977
978
979
980
981
982
983
984
985
986
987
988
989
990
991
992
993
994
995
996
997
998
999
1000

Chief of Base, Frankfurt

Chief of Station, Germany

REDWOOD/REDSKIN/Operational

Transmittal of CISED Intercepts

EQQA-88427

18 April 1957

FR: Honnef/Rhein: VNESH TORG
1. KLAVDIYA PETROVNA SAMARINA

TO: Moscow: SYR'EIMPORT,
2. ALEX. MIKHAILOVICH, 3. BORIS
GRIGOREVICH

...

- 1. At the present we have signed the first contract... We are going to meet with KRUPP on Monday for the last time...
- 3. Call SINZBURG and have him send the contract immediately.
- 1. He can't send it yet. He's with me. (S.) It's necessary to reprint the specifications. ...

...

- 1. The contract is signed. You can open an L/C...

* * * * *

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 382E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

KUBARK Internal Use Only

18 April 57

Copy of letter to EG 37-16605
10 June 1957

Re. ~~Victims of~~ Palmer E. Larwick
May 1957 (by clip - ~~signature~~ copy)

May 3, 1957

Dear Dick:

You will find enclosed a clipping which appeared in the Frankfurter Allgemeine Zeitung on 29 April 1957 ... Upon reading it, it will become clear to you that my "exclusive" story on Remington-Rand-Adler Werke is not exclusive any more. It is rather discouraging to have a story ~~sent~~ in advance and then find out that when it is published it isn't news any more ...

With best regards to all,

Mr. Richard Kempe
Business International
200 Fourth Avenue
New York 3, N. Y.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

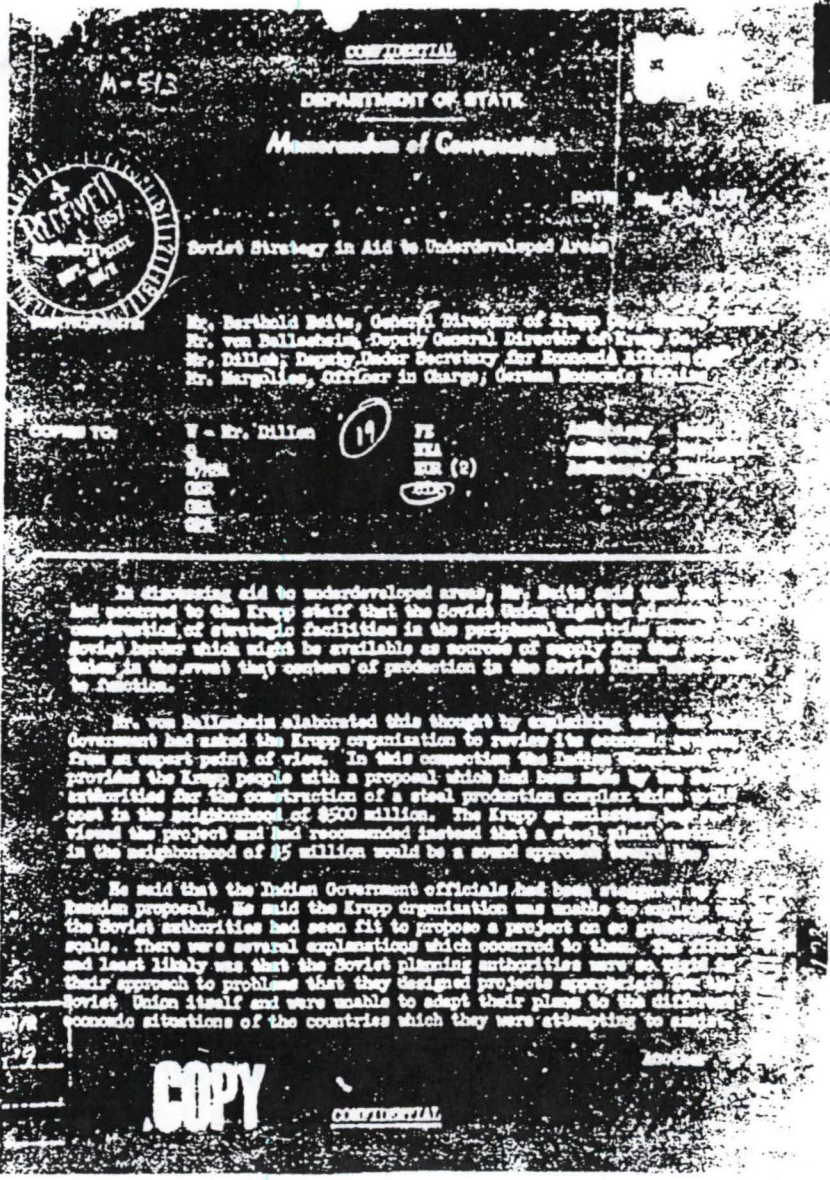
SECRET
(When Filled In)

DOCUMENT TRANSFER AND CROSS REFERENCE			
SUBJECT OF DOCUMENT		DOCUMENT IDENTIFICATION	
Point 4½ Program of Alfred KRUPP	RI FILE NO.	43	124 36/1 /
	DISPATCH OR SOURCE DOC. SYMBOL NO.	DATE	
	DIRA-13993	22 May 57	
ANALYST	DATE PROCESSED	DISSEMINATED IN	EVALUATION
C	23 Sept 57		
DOCUMENT DISPOSITION			
<input checked="" type="checkbox"/> CROSS REFERRED TO THIS FILE	TRANSFERRED TO RI FILE NO. :		
PERTINENT INFORMATION			
<p>"1. In the course of a recent trip [] received from a Dr. Gnu LUCK,* a personal assistant of Alfred KRUPP, the attached point 4½ program which is being promoted by KRUPP. [] has added his own comments to the overall program and points up a potential KUZARK interest on page five of his comments.</p> <p>...."</p> <p>(Attachments held at Italian desk: [] file)</p> <p>* PROBABLY DR GUENTHER LUECK.</p>			
FILE THIS FORM IN FILE NO.		28 Aug 57	

FORM NO. 867 REPLACES FORM 867, 1 AUG 54
1 MAY 56 AND FORM 137 WHICH ARE OBSOLETE.

SECRET

(7-44)



CONFIDENTIAL

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: Aug 14, 1947

Soviet Strategy in Aid to Underdeveloped Areas

Mr. Berthold Beitz, General Director of Krupp
Mr. von Ballhausen, Deputy General Director of Krupp
Mr. Dillon, Deputy Under Secretary for Economic Affairs
Mr. Margulies, Officer in Charge, German Economic Affairs

TO:

W - Mr. Dillon

19

FE
EIA
EIR (2)

WAC
GIR
GIR
GIR

In discussing aid to underdeveloped areas, Mr. Beitz said that he had discussed with the Krupp staff that the Soviet Union might be planning the construction of strategic facilities in the peripheral countries of the Soviet border which might be available as sources of supply for the Soviet Union in the event that centers of production in the Soviet Union were unable to function.

Mr. von Ballhausen elaborated this thought by explaining that the Russian Government had asked the Krupp organization to review its economic situation from an expert point of view. In this connection the Indian Government provided the Krupp people with a proposal which had been made by the Soviet authorities for the construction of a steel production complex which would cost in the neighborhood of \$500 million. The Krupp organization had reviewed the project and had recommended instead that a steel plant costing in the neighborhood of \$5 million would be a sound approach toward the

He said that the Indian Government officials had been staggered by the Russian proposal. He said the Krupp organization was unable to explain why the Soviet authorities had seen fit to propose a project on so great a scale. There were several explanations which occurred to them. The most likely and least likely was that the Soviet planning authorities were so rigid in their approach to problems that they designed projects appropriate for the Soviet Union itself and were unable to adapt their plans to the different economic situations of the countries which they were attempting to assist.

COPY

CONFIDENTIAL

DECLASSIFIED
Nazi War Crimes Disclosure Act
PL105-246

By: WAC Date: 1/17

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE/METHOD/EXEMPTION 3E2/28 COORDINATION WITH State
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

CONFIDENTIAL

Another explanation might be that the Soviet authorities are deliberately attempting to involve India and similar countries in economic projects. This would then create a situation which they could exploit by providing additional aid and services, thus penetrating the political and economic organizations of these countries.

Finally, the Kress organization had heard of similar proposals being made to other neighboring countries around the Bay of Bengal and the idea had therefore occurred to them that the proper response would be to inform the Soviet Union itself, and bring to the attention of the American Government, the whole matter.

CONFIDENTIAL

ETR:GER:CEA:DFH:colics/db
5/21/57

COPY

who may have to hold up production for months for lack of some essential imported equipment or raw material. On the other hand, the widespread shortages caused by the lack of foreign exchange have had the welcome effect of stimulating the development of local industries. Helped judiciously by the Industrial Development Bank with loans and enough foreign exchange to buy the necessary equipment and raw materials to get started, enterprising business men are making many things that have never before been made in Turkey. The outlook is uncertain, especially if they are at all dependent on imported materials, but in the meantime many are making good profits, and for the future are content to put their trust in the Turkish saying: "God is Great."

Perhaps that is indeed the best thing to do when contemplating the present state of the Turkish economy. It is an economist's nightmare. And many people, unable to share the government's ebullient self-confidence feel that the only hope is a more powerful injection of American aid (in the 1956 US fiscal year, Turkey got over \$430 million)—which the government is unlikely to get if it persists in its present policies. But foreign business men, sitting in their palatial offices with depleted staffs and sometimes with too much time on their hands, are curiously tolerant. They find the outlook baffling, but are reluctant to prophesy doom. They seem to feel that, perhaps more by luck than good divining, the Turkish business may not after all stick in mid-stream.

(To be concluded)

Hannibal coal mine in Lower Saxony are still supposedly waiting for a buyer. Rheinhausen is the apple of the Krupp boardroom's eye. Built fifty years ago, the plant has been completely modernised since the war, has an annual capacity of two million tons of crude steel, lies directly by the Rhine, and has room to expand. At Krupp headquarters they value Rheinhausen at £170 million and dismiss as "ridiculous" the offers hitherto received.

Without actually mentioning Herr Krupp's name, yet obviously thinking of none other, the Federal Chancellor wrote to the British, French, and United States governments last February, pointing out that certain "difficulties" had arisen in carrying out Law 27 in full, and suggesting that the three governments might now consider that enough had been done. It is possible that Dr Adenauer despatched his letter when he did in order to give the makers of Law 27 ample time to set up the apparatus envisaged for giving, if necessary, the industrialists concerned an extension of the term at first stipulated for getting rid of their coal and steel assets. The law permits two extensions, each of one year, on the recommendation of a committee of seven, composed of three Germans, three representatives of the former occupying Powers, and one neutral. But it is also possible that Dr Adenauer chose this moment to act with his mind largely on the coming elections. It is no secret that most of the big German firms, not excluding Krupp, subscribe handsomely to the campaigning expenses of the right-wing parties, and they like to see something for their money.

The Krupp Property

FROM OUR BONN CORRESPONDENT

It is now clear to most observers that Herr Alfred Krupp, egged on by ambitious retainers and covertly supported by the German Federal Government, has no serious intention of relinquishing any further part of the industrial empire of which he is sole owner. It is just as clear that whatever disapproving noises they may make, the promulgators of Allied Control Commission Law No. 27, of May 20, 1950, are going to have to keep it. Law 27, which was taken over by the Federal Republic on attaining sovereignty, directed a group of German industrialists to sell their coal and steel assets by March 31, 1955. The object of the law, as stated in the preamble, was to prevent an excessive concentration of economic power, the development of a war potential, and the return to power of persons who had helped to advance the designs of National Socialism. Among the larger of the combines named were those of Friedrich Flick, Otto Wölf, Alfred Krupp, and the Thyssen heirs. Both Herr Flick (and Herr Wölf) have fulfilled their obligations. The Thyssen heirs, too, have more or less complied. Herr Krupp alone has not conspicuously stuck. Ordered (in the simplest terms) to sell these combines and one steel works, he has sold only two coal mines—the Eisener Leppe and another with the engaging name of Constantin der Grosse. After two or three interested enquiries, among them the Italian State Railways, had shied off, Constantin der Grosse was sold to the Bochumer Verein, a combine controlled by Herr Krupp's friend, the Swedish industrialist Wendler-Gren. The steel combine at Rheinhausen and the Hannover-

Pending their formal reply, the three governments have asked Dr Adenauer to specify the "difficulties" which he says have cropped up. They are not aware of any pains having been taken to sell Rheinhausen. And should the German answer be that no one seems to be able to lay his hands on £170 million, they might well ask whether, in view of the government's canvassing of the idea of "people's shares," Rheinhausen might not make just as admirable a piece of people's property as the Volkswagen works. It will not be easy for the Chancellor to give a straight reply; for the real answer is that Herr Krupp sees now that he can get away without fulfilling the whole law, and if there is any industrial group in Germany capable of raising the money for Rheinhausen it is not going to run the risk of offending so powerful a personage as its present owner by doing so. Dr Adenauer can hardly be expected to cite these "difficulties"; but his reply will be fairly negative, and the three western governments must know it. They are faced with the alternative of letting Herr Krupp have his way now or postponing his pleasure for a year or two. Their problem is to prepare public opinion, particularly in Britain and France, for the inevitable outcome. The name of Krupp has some real and special symbolic associations for millions outside Germany who will, deeply resent, any mitigation of the original sentence. For Alfred Krupp himself there is, really, only one difficulty. He, alone of the compromised industrialists, has signed a statement undertaking never to go into the coal and steel producing business again. As seen in Essen—and probably also in Bonn—one solution would be for the four governments concerned in the existing agreement to concoct a statement releasing Herr Krupp from his bond.

15 June 57

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

NAZI WAR CRIMES DISCLOSURE ACT

Declassified and Approved for Release
by the Central Intelligence Agency

Date: 2001

ATR POUCH
PRIORITY

CONFIDENTIAL
(Security Classification)

DO NOT TYPE IN THIS SPACE

FOREIGN SERVICE DESPATCH

6672.82/5 2957

FROM : AMEMBASSY ANKARA

753
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

May 29, 1957
DATE

REF : Embassy telegram 2258, March 29, 1957.

For Use Only	ACTION	DEPT.
	REC'D	NEA 4
	6-3	CHIEF K. 1122 G.L.S. F-M FUR 4 ICA-10 L-2 P-1 CIA-12 USIA-10 USD-4 AILM-4 NAVY-3 AIL-3

SUBJECT: Turk-German Relations.

SUMMARY

4122670

Turk-German relations have been marked recently by the state visit to Turkey of President Heuss from May 5 to May 13 and by the visit of the German industrialist Alfred Krupp, who arrived May 15 and is still in the country. These visitors appear to mark a peak in the re-establishment of historic close relations between these two countries, which reportedly date back to the middle of the 18th century. The Turkish people appear to welcome this development uncritically and seem again to have utmost faith in "German efficiency". These visits have been marked by the announced German invitation for approximately 270 technical and farm youth to study their professions in Germany, by the German ratification of an agreement to purchase DM 700,000,000 worth of ammunition from Turkey, and by Krupp being awarded a series of important contracts for industrial construction work in Turkey.

German-Turk friendship appears to be a historic fact. German Embassy personnel note with pride that the first German military training mission arrived in Turkey during the middle of the eighteenth century and was succeeded by subsequent military missions until approximately the beginning of the second World War. Since the West German Government regained its independence following World War II, there has been an obvious effort by both countries to re-establish their historic close ties. This was first noticeable with the exchange of visits in 1954 between Chancellor Adenauer and Prime Minister Menderes. In late 1955, the German Minister of Defense Theodor Blank, accompanied by General Heusinger, visited Turkey. Then, in early 1957, Blank's successor as Minister of Defense, Josef Strauss, was the next high ranking German guest to arrive in Turkey (Embassy telegram 2252). And in April, Chancellor Adenauer, when returning to Germany from Iran, stepped off for a few hours' tour of Istanbul with Prime Minister Menderes as his guide.

WPC:haso/aska

CONFIDENTIAL
INFORMATION COPY

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

FOR COORDINATION WITH

State

DECLASSIFIED
Nazi War Crimes Disclosure Act
PL105-246

By: hlc Date: 1/17

Page 2 of
Desp. No. 753
From Ankara

CONFIDENTIAL

P. _____ of
Encl. No. _____
Desp. No. _____
From _____

All of these German visitors have been most generously received by the Government. The movements of each have been reported extensively in the press, which also wrote warmly worded editorials about German-Turk friendship. There seems to be little doubt of popular approval in Turkey of these signs of German-Turk ties. For example, the Consulate General in Istanbul reports that in contrast to local reaction to visits by dignitaries from other countries there was no criticism of the elaborate reception given President Heuss. Without doubt, the Turks again appear to have the utmost faith in "German efficiency" and "German ability to get things done".

President Heuss arrived in Ankara on May 5, accompanied by a party that included Foreign Minister Heinrich von Brentano and Major General Fritz Reinhardt. As was true for the remainder of the visit, the German visitors were greeted by a large display of flags, specially erected decorative pylons along the streets, and large sidewalk crowds. At the first of the numerous state occasions, President Bayar spoke approvingly of the ~~XXXXXXXX~~ close cultural, historic and economic ties that have existed between the two countries. Continuing, Bayar expressed the hope that "the artificial border unjustly dividing Germany will soon be lifted" and added that the adherence of Germany to NATO had strengthened the effectiveness of West European defenses. President Heuss replied in a similar vein and also complimented NATO. During the next few days, Heuss was named an Honorary Citizen of Ankara, and was awarded an Honorary Doctorate of Law by Ankara University. Heuss on his side awarded the German Medal of Merit to a group of twenty-one Turks, which included the Acting Minister of Defense Semî Ergin, the Acting Minister of Foreign Affairs Etem Menderes, the Secretary General of the Turkish Atomic Energy Committee Nuri Kerem, and one of the leaders of the Freedom Party, Muhlis Ete, who had been a former Minister of Commerce and Industry. Heuss also participated in the opening of the German Cultural Library in Ankara.

After spending three days in Ankara, Heuss, accompanied by Bayar, went to Istanbul where the round of festivities continued. While in Istanbul, Heuss was taken on a one-day trip on the Presidential yacht Savarona, which included a visit to Bursa. The guests flew back to Germany on May 13 from Istanbul.

It is understood that Foreign Minister Brentano arrived prepared to carry out an exchange of general ideas with Turkish leaders. It is also understood that he was accompanied by a senior representative of the German Ministry of Finance to assist in discussing some German-Turk financial problems, and in particular those concerning arrears. However, on the third day of the visit, Brentano was forced to return hurriedly to Bonn in order to defend his Ministry's annual budget before the German Parliament.

CONFIDENTIAL

Page 3 of
Dep. No. 753
From Ankara

(Classification)

Encl. No. _____ of
Dep. No. _____
From _____

(No evidence has been received indicating that Brentano's early departure was cause for annoyance to any Turkish officials.) The only substantive work he accomplished appears to have been the signing of a Turk-German cultural agreement. While this document was widely publicized in the local press as opening a new era of Turk-German relations, German Embassy personnel depreciate the agreement's importance. This attitude results partly from the fact that the agreement probably will not be ratified by the German Parliament until sometime early in 1958 because of the forthcoming German elections, and that instead of the agreement's actually providing for such programs of exchanging students and professors, the agreement merely provides that a commission consisting of three Germans and three Turks will formulate plans on how to implement the "expression of good intentions". However, the authority of this commission may be rather more important than indicated. It is understood that it was agreed that the commission would also be the responsible body to find ways for increasing the flow of German moving picture films and books into Turkey.

However, while here Heuss did announce two arrangements for the exchange of German and Turkish youth. One provides for Turkey to send 150 industrial and technical students to Germany for study, and the second is for 120 farm youths to go for one to two years to live on German farms. In exchange, Germany will send to Turkey during the summer months several delegations of German farm youth. In connection with this latter exchange plan, the Turkish Government has passed a law providing for the establishment of several farms to be operated by the Turkish-German Association in conjunction with the Ministry of Agriculture. During the GMA debate on this law, the bill's sponsor noted that modern German farm equipment would be used on these farms.

After Heuss had reached Turkey, the newspapers elatedly announced that the German Parliament had approved the agreement providing for Germany to purchase DM 700,000,000 worth of ammunition from Turkey. The fact that Germany was buying finished manufactured goods from Turkey was a considerable boost to Turkish ego. Enthusiasm for Germany was given additional encouragement a few days later with the report that the German Central Bank had received for Turkey's account, as down payment on the above contract, the sum of DM 250,000,000. This down payment was even credited with causing a slight strengthening of the Turkish lira's free market rate.

Editorial comment on Heuss' visit was filled with admiration of Germany. For example, Falih Atay wrote in DUNYA (RPP): "It is not enough to admire the German achievements. One can learn a great deal from it. The President of this industrious nation is now our guest. We welcome him with respect and affection. An extremely useful collaboration can be established between Germany.

CONFIDENTIAL

Page 4 of _____
Desp. No. 753
From Ankara

CONFIDENTIAL

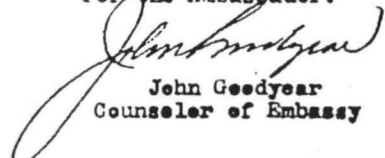
Page _____ of _____
Encl. No. _____
Desp. No. _____
From _____

and a rapidly progressing Turkey." At the same time, in HURU RIYET (IND) Sukru Kaya wrote: "We are happy to welcome in our country as an honored and esteemed guest the President of the German people, our ancient and noble friends and old allies. The two people have common memories of unhappy times, but it is such bitter memories, rather than happy events that forge unbreakable ties between peoples. Turkish and German armies are again united on the same front. We sincerely hope that it will not be long before the people in the communist dominated Eastern Germany are united with their brethren in the West."

In striking contrast to the Heuss visit, which symbolized cultural, historic ties, Krupp arrived on May 15 and the press presented him as the symbol of German industry and commerce. While there has been considerable comment to the effect that Krupp arrived to exploit the favorable pre-German atmosphere generated by Heuss, German Embassy personnel insist there is no connection, and that even they in the Embassy were taken unaware by Krupp's arrival.

While in Ankara, Krupp has stayed at least part of the time in the Government's official guest house, and he has certainly been received by most prominent Turkish Government officials. According to the press, he has already been awarded an \$80,000,000 contract for the construction of a third furnace at the Karabuk steel mill, and a similar large contract for building an important link in the proposed Turk-Iranian railroad line. In addition, Krupp is reported to be interested in a succession of other Turkish economic development schemes, including the construction of a bridge across the Bosphorus at Istanbul. Some of these Krupp ventures are known to be bona fide results of months of prior negotiations. The reality of some of the other ventures is still unknown. But the general impression given by the press reports is that Krupp and "German efficiency" are combined in providing invaluable help to the development of Turkey's economy. (The economic phase of Krupp's visit will be covered in a separate despatch).

For the Ambassador:


John Geedy
Counselor of Embassy

Distribution: Bonn, London, Paris (for USRO, West and Knight), Rome (for McSweeney and Montgomery), Istanbul, Kzair, and Iskenderun

CONFIDENTIAL

A I R

~~SECRET~~

OHHA-10257

ATTN Chief of Base. Berlin

14 June 1957

Info: Chief, EE
" Chief, WE

Dealings of the KRUPP Company with the DDR

1. Attached is a Department B report prepared from materials. This is a most interesting and, if correct, significant report, on which Headquarters and Berlin's comments and evaluations are requested.
2. A complete translation is attached.

13 June 1957

Dig

Dist:

- 3 - Berlin w/att
- 2 - EE w/att
- 2 - WE w/att
- 2

~~SECRET~~

per DOI 70-17

DATE	18 JUN 1957
CLASSIFICATION	
EXEMPTION	
REASON	

~~SECRET~~

DECLASSIFIED AND RELEASED
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B
NAZI WAR CRIMES DISCLOSURE A
DATE 2006

[REDACTED]

During Paul de Jure's recent visit in March and April 1957 to
Prague, Czechoslovakia, he had considerable contact with the German,
Paul de Jure, who was, according to de Jure, was the 1st district
secretary in Leipzig. de Jure supposedly told the following story
to Paul:

A member of the KROPP family who is a director of the KROPP Werke,
visited the Deleziyev Lesic and, according to BROCKHOFF, "we" extended
an invitation which he accepted to join us in a meal. (SYMPAT
Committee: It is not certain who is meant by "we"). When asked what
the purpose of his trip was, KROPP answered that he was looking for
work. (SYMPAT Committee: presumably, looking for orders). One
certainly couldn't say that he had enough work to do for the German
Army, for he received only very unimportant orders since the bulk of
the material for the German Army was being delivered from the United
States. KROPP had no trust in the continued existence of present day
competition. He supposedly stated that he is convinced of the
eventual victory of communism; he only hopes that this would last
throughout his life time. In fact, however, according to BROCKHOFF, one
could not talk -- as apparently one did in the past -- of control by
the German capitalists. There was a complete occupation regime; all
profits went to the United States. Only those industries who
collaborated with the United States were given privileges; the remain-
der, the old West German manufacturers, had difficulty in surviving.

KROPP had plans in the past to have several factory installa-
tions delivered to China. As a result of these plans, contracts
allegedly were drawn up to give the appearance that KROPP's materiel
was being delivered to the GDR, but actually it would be forwarded on
to China.

SYMPAT Informant Committee: BROCKHOFF is almost certainly identical with
Paul BROCKHOFF (born 3-2-1905), since 1952 first secretary of the GDR
"Bezirksleitung" in Leipzig, and since 1954 "Candidate member" of the
Central Committee of the GDR.

AIR POUCH

CONFIDENTIAL
(Security Classification)

DO NOT TYPE IN THIS SPACE

FOREIGN SERVICE DESPATCH

662a 82/6-1457

FROM : AmEmbassy, ANKARA DISP. 787
TO : THE DEPARTMENT OF STATE, WASHINGTON. June 14, 1957
REF : Istanbul's Despatch No. 363, June 3, 1957; Embassy 4448462
Despatch No. 753, May 29, 1957

ACTION: REC'D
67 NEA-4, PMR-2, DK-8, EUR-5, P-1, ID-4, ICA-10
6/22 CIA-12, USA-10, ARMY-4, NAVY-3, AIR-3

SUBJECT: Turk-German Relations

Mr. Michael N. F. Stewart, Counselor of the British Embassy in Ankara, recently told our Counselor for Political Affairs of a conversation with the German Ambassador, Mr. Oellers, in which the Ambassador had stated the basis for Germany's interest in Turkey and had described his own position in relation to the other German Ambassadors in the Middle East. He described Turkey as Germany's best friend in the Middle East and as by far the most important country in the area because of her special position vis-a-vis the Arab World. He stated that he was the senior German Ambassador in the Middle East, and, therefore, exercised jurisdiction over other German representatives as far east as Pakistan. Exercising his rights as supervisor, the Ambassador said, according to Mr. Stewart, that he was developing a certain amount of coordination of German policy in the entire Middle East area.

In the meantime, although the Embassy's despatch No. 753 of May 29, 1957 reported no press criticism of the lavish reception accorded Krupp on his recent visit, two editorials since that time have voiced misgivings. One was reported in Istanbul's despatch No. 363 under reference. Now, Y. K. Karacamanoglu, writing in ULUS on June 8, stated that Krupp was treated as only a head of state or a ruling king or sovereign should be treated under international law and the traditions of protocol. The writer states that the privileged treatment given Krupp is reminiscent of the Ottoman receptions for foreign merchants which led to the Capitulations.

FOR COORDINATION WITH State

Rehearsal

CONFIDENTIAL

INFORMATION COPY
Retain in divisional files or destroy in accordance with security regulations.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

DECLASSIFIED
Nazi War Crimes Disclosure Act
PL105-246

By: WAR Date: 1/8/7

Page _____ of _____
Desp. No. 707
From _____


CONFIDENTIAL
(Classification)

Page _____ of _____
Encl. No. _____
Desp. No. _____
From _____

Summary:

In spite of scattered discordant notes in the Turkish press, the fact remains that Germany has long been and still is a favorite of Turkey, and Ambassador Oeller's aggressiveness is symptomatic of Germany's resolve to implement a "Young Turk Mittel-Osten."

For the Ambassador:


John Goodyear
Counselor of Embassy

Distribution:

Rome, London, Paris (for USRO, West and Knight), Rome for McCleary and Montgomery), Istanbul, Iskenderun, and Izmir.

CONFIDENTIAL

File: KRUPP

Extract from DAILY ACTIVITIES REPORT, MONTHLY REPORT FOR MAY 1957, attached to EGFA-16605, 10 June 1957: Activities of (C) B-

29 May Interview with Mr. Svoboda of Africa Verein - Bonn office.
Interview with Dr. Ritter of Presse and Informations Amt.
Call from Hollos of Financial Times who asked me for information on Krupp's Point 47 Program. Asked Hollos to drop by on 30 May at my home and pick up a copy of my story published on 25 Jan 57 in Business International.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

SECRET

17 June 1957
()

KRUPP RECEIVES SOVIET ORDER--Friedrich Krupp announced on June 19 in Essen that his firm has received the first large-scale postwar order to be placed with West German industry by the Soviet Union. His firm is to construct a factory for artificial fibers at a total value of about 17 million DM. The question of export financing and insurance has not yet been settled. Krupp is sure that the Federal Government will approve the order. (Hamburg, DPA, June 19, 1957, 1430 GMT--G)

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE/METHOD EXEMPTION 3B21
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

19 June 57

DECLASSIFIED
per DOI 70-17

SOB-42512

AIR

24 June 1957

ATTN: Chief of Base, Berlin

ATTN: Chief of Station, Germany

- Operational/CA L/SYMBOLS
- KRUPP Dealings with the GDR

REF: JFH-10237 same subject as Ref. 10237 as per index

1. SOB's files confirm the current position of Paul FROELICH as First Secretary of the G.D. Bezirk Directorate Leipzig and as candidate member of the Central Committee.

2. While SOB has no direct information on any transactions involving the KRUPP family in business deals similar to the one reported in reference, it is a well-known fact that the GDR has acted as purchaser for materials ultimately destined for Communist China. The demise of the China Export Corporation (which was set up primarily for this purpose) has by no means eliminated all buying and transit activity of the GDR for the benefit of Communist China.

3. On the chance that OS, Germany may have additional information of KRUPP/GDR dealings, or since it is possible that OS may be able to identify the member of the KRUPP family mentioned in reference, a copy of JFH-10237 is herewith forwarded to OS, Germany with the request that any pertinent information be forwarded directly to OS, The Hague.

INDEX

MICROFILMED
JUG 12 1963
DOC. MICRO. SER.

ATTACHMENT:

Attachment: Copy of JFH-10237 (herewith)
Distribution:

- 2 - OS, w/o att.
- 2 - OS, w/ att. (hr) CS COPY
- 2 - SS, w/o att.
- 2 - SR, w/o att.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES/METHODS EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

FILE
JUN 24 1957

~~FOR~~ COORDINATION WITH ^{ed} STATE

NAZI WAR CRIMES DISCLOSURE ACT

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2001

INCOMING TELEGRAM *Department of State*

CONFIDENTIAL

53
Action
EUR

Info
RMR

SS
G
P
SCA
VO
SY
OLI

IOP
CIA

Control: 16060
Rec'd: JUNE 25, 1957
2:49 P.M.

FROM: DUESSELDORF
TO: Secretary of State
NO: 89, JUNE 24, 5 P.M.

Return to Olt.

INDUSTRIALIST ALFRIED KRUPP APPLIED TODAY FOR B-1 AND B-2 VISA TO ATTEND AT INVITATION HENRY LUCE TIME-STANFORD INTERNATIONAL INDUSTRIAL DEVELOPMENT CONFERENCE SAN FRANCISCO OCTOBER 14 TO 20. WHEN FORMALLY INFORMED OF HIS INADMISSABILITY UNDER SECTION 212(A)(9) AND 212(A)(10) OF THE IMMIGRATION AND NATIONALITY ACT, HE REQUESTED SUBMISSION OF REPORT AND WAIVER BY ATTORNEY GENERAL OF INADMISSABILITY PURSUANT 2 CFR 41.150(A) AND SECTION 212(D)7 (3) OF THE ACT.

CONSULATE GENERAL IS OF OPINION THAT IN VIEW OF THE FORMAL REFUSAL OF VISA ALREADY MADE, TEMPORARY ADMISSION OF KRUPP UNDER WAIVER WOULD NOT LEND COLOR TO ARGUMENT THAT THE WAR CRIMES CONVICTIONS WERE IN ERROR. IT IS RECOMMENDED THAT SYMPATHETIC CONSIDERATION BE GIVEN TO KRUPP'S REQUEST FOR 212(D)(3) ACTION. INFORMATION REQUIRED UNDER CA1233 OF AUGUST 19, 1954 FOLLOWS: ALFRIED FELIX ALWYN KRUPP VON BOHLEN UND HALBACH, BORN ESSEN-BREDENEY GERMANY AUGUST 13, 1907, GERMAN NATIONALITY, LIFELONG RESIDENT ESSEN-BREDENEY, MEMBER NSFK 1933-1945 (HONORARY STANDARTENFUEHER), AND NSDAP, NSV, DAF, NSBBT (ALL 1938-1945 WITHOUT POSITION), AND VARIOUS PROFESSIONAL AND SPORT ORGANIZATIONS. IN HIS VISA APPLICATION KRUPP DENIES ACTUAL MEMBERSHIP IN NSDAP AND ALL OTHER NAZI ORGANIZATIONS NAMED ABOVE EXCEPT NSFK.

GERMAN PASSPORT NUMBER 9190243 ISSUED ESSEN MARCH 4, 1956.

KRUPP WAS CONVICTED IN 1947 BY MILITARY TRIBUNAL III AT NUERNBURG (ESTABLISHED UNDER CONTROL COUNCIL LAW NO. 10) ON COUNTS 2 (PLUNDER AND SPOILATION) AND 3 (WAR CRIMES AND CRIMES AGAINST HUMANITY UNDER SLAVE LABOR PROGRAM). HE WAS SENTENCED TO TWELVE YEARS IMPRISONMENT BUT WAS RELEASED IN 1951. COURT RECORD APPEARS AS CASE 10, UNITED STATES VS KRUPP ET AL. IN SERIES

CONFIDENTIAL

UNLESS "UNCLASSIFIED" REPRODUCTION FROM THIS COPY IS PROHIBITED.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

24 June 57

CONFIDENTIAL

-2- 89, JUNE 24, 5 P.M., FROM DUESSELDORF

OF VOLUMES ENTITLED TRIALS OF WAR CRIMINALS BEFORE NUERNBURG
MILITARY TRIBUNALS UNDER ALLIED CONTROL LAW NO 10, VOLUME IX,
GOVERNMENT PRINTING OFFICE 1950.

SECURITY INFORMATION DISCUSSED ABOVE RECEIVED FROM BERLIN
DOCUMENT CENTER, THE CONTROLLED AMERICAN SOURCE FOR GERMANY AND
BRITISH INTELLIGENCE. OMV FOLLOWS

LUDDEN

MAA

CONFIDENTIAL

SECRET NO FORN

EXTRACT

Op-927Y3/jwd
Ser 009409P92
27 June 1957

OFFICE OF NAVAL INTELLIGENCE BULLETIN

13.

KRUPP GETS LARGEST SINGLE SOVIET ORDER GIVEN W. GERMANS

The KRUPP munitions firm has received the largest single Soviet order awarded to a West German company. The firm is to construct a factory in the USSR for artificial fibers at a total price of \$4,047,619.00

ONI Comment: This indicates that the Soviets are prepared to place substantial industrial orders with West German enterprises if the forthcoming Soviet/West German trade discussions, reportedly scheduled for July, are concluded on a mutually acceptable basis.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

SECRET NO FORN

27 June 57
[]

SI-13736

(OS Report)

1 July 1957

MEMORANDUM FOR Chief, SI/Turkey

SUBJECT: Paul LEVENS

The following information was provided by a sensitive and reliable source who, however, cannot vouch for the accuracy of the information.

1. Subject, a German SS officer stationed in Turkey during World War II, came to Turkey during the past two years and made preliminary contacts with the Turkish SS. In May 1957, he returned to Turkey on an official visit, timed to coincide with that of ^{German Ambassador} Alfred Krupp, and was received both by Prime Minister Adnan Menderes and the Turkish SS.

2. Subject, who is reported to be a very important official in the German SS, promised the Turks money and equipment in return for full cooperation from the Turks and freedom of action in Turkey. Menderes promised his complete cooperation, but he asked that the Germans restrain themselves so as not to arouse suspicion from the Americans.

CC: SI/Turkey

[]
Chief, CI/OS

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006



DEPARTMENT OF STATE INSTRUCTION

2371
CONFIDENTIAL

W-5

no. CA-777 July 23, 1957

SUBJECT: Administrative Action Program: Jebsen & Jessen, Hamburg.

REFERENCE: CA-1465, August 27, 1954; Bonn's D-2589, June 8, 1955 and related messages.

82
ORIGIN
COM
INFO
DC/L
REP
EUR
FE
OLI
E
ICA
U/MEA

TO: Bonn, Copenhagen, Hamburg, Hong Kong, Saigon, USKO/ST, Paris

Bonn pass USOM; Saigon pass USOM

EKCON. Joint State/Commerce/ICA message.

The Bureau of Foreign Commerce has received a letter from the firm Jebsen & Jessen, Hamburg, dated June 11, 1957, requesting information with respect to the action taken to preclude it from participating in the sale of ICA-financed purchases in Viet Nam, and the reasons why it has been placed on a U. S. "black list".

It is suggested that the Consulate General, Hamburg, supply the following information orally to the firms:

The U. S. Department of Commerce does not maintain a "black list". However, several Washington agencies, including the Department of Commerce, do withhold certain U. S. privileges from firms which have engaged in export trade which is considered inimical to the best interests of the United States. An action of this kind is one which these Washington agencies exercise administratively consistent with the overall policies of the United States.

The difficulties which the Jebsen & Jessen firm has recently encountered are probably a result of participation in a diversion of 16 cases of tungsten carbide cutting tools to Communist China in the latter part of 1952.

It is further suggested that if the firm desires, it may discuss this transaction with the Consulate General and supply any details which would explain its role in this diversion and assurances with respect to its future trading activities. Such details and assurances, if supplied, should be forwarded to Washington for consideration.

For the information of the Consulate General, Hamburg, Administrative Action was taken against this firm on the basis that it was

CONFIDENTIAL

Return EE/g/105

DRAFTED BY:

Charles F. Boehm, Director

APPROVED BY:

REP;MIMitchell;tl1 7/23/57

CLEARANCES:

Commercial Intelligence Division

McClyde/trw - July 22, 1957

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

FOR COORDINATION WITH State

DECLASSIFIED
Nazi War Crimes Disclosure Act
PL105-246

By: WRC Date: 11/8/7

CONFIDENTIAL

(Security Classification)

responsible for diverting the tungsten tools referred to above to Communist China. These tools valued at approximately \$47,000, licensed by the Austrian authorities for shipment to Hong Kong, were diverted to Communist China via Hamburg, Rotterdam, and Jebsen & Co., Hong Kong, on instructions given by Jebsen & Jessen, Hamburg. Administrative Action has also been taken against Heben & Co., Aabenraa, Denmark and Hong Kong on the basis of this diversion. These latter firms are affiliated with Jebsen & Jessen, Hamburg.

DULLES

CONFIDENTIAL

(Security Classification)

SECRET
(When Filled In)

DOCUMENT TRANSFER AND CROSS REFERENCE			
SUBJECT OF DOCUMENT		DOCUMENT IDENTIFICATION	
Turco-German Munitions Agreement		RI FILE NO.	71 11 3
		DISPATCH OR SOURCE DOC. SYMBOL NO.	DATE
		STI-830	23 July 57
		ISSUE CRYPTONYM	DATE OF INFO.
			EVALUATION
			F-2
ANALY	DATE PROCESSED	DISSEMINATED IN	DATE
	23 Sept 57		
DOCUMENT DISPOSITION			
<input checked="" type="checkbox"/>	CROSS REFERRED TO THIS FILE		TRANSFERRED TO RI FILE NO.
PERTINENT INFORMATION			
<p>"1. The 740,000,000 DM agreement for the manufacture in Turkey and shipment of munitions to Germany has been made between the Friedrich Krupp A.G. and various private industries in Turkey during the visit of <u>Alfred KRUPP</u> to Turkey in May 1957. The terms of the agreement are as follows:</p> <ul style="list-style-type: none">a. 170,000,000 DM will be paid by the Bank of German Lands to the Krupp A.G. The Krupp A.G. will in turn deliver the machines and supplementary new installations which the Turkish munitions factories in Ankara-Kirikkale will set up in order to carry out the munitions delivery contract.b. 185,000,000 DM will be paid in the near future from the Bank of German Lands in Germany to German industries involved in the agreement against old general Turkish debts which total 340,000,000 DM.c. The disbursements in "a" and "b" amount to 355,000,000 DM. The rest of the 385,000,000 DM of the agreement will be used to cover within one-half year the remaining 155,000,000 DM of the Turkish debts to Germany.d. The surplus sum of 230,000,000 DM is intended for use as investment capital for the acquisition of industrial products from Germany. This includes the purchase of factories, trucks, bulldozers, agricultural machines, and raw materials. <p>2. The Krupp A.G. will deliver the machines for the munitions factories in Ankara-Kirikkale and will at least administer and do the accounting for supplementary investment deliveries of 230,000,000 DM. The German factories involved will not be paid by Turkey for this additional investment, but will be paid instead by the Krupp A.G. on the basis of an agreement between the Krupp A.G. and the Bank of German Lands.</p> <p>3. An agreement amounting to 82,000,000 DM has been drawn up for the expansion of the Karabuk Steel Works on the Black Sea. The 82,000,000 DM were originally to have been included in the 230,000,000 DM for capital investment, but according to the most recent information, the 82,000,000 DM will be excluded from the</p>			
FILE THIS FORM IN FILE NO.		➔ ()	

FORM NO. 867 REPLACES FORM 867, 1 APR 54
1 MAY 54 AND FORM 137 WHICH ARE OBSOLETE.

SECRET

(7-46)

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

STI-830 (page two)

4. Another agreement reportedly was reached by KRUPP for 100,000,000 DM to be used in building a second steel plant in Edremit. The plant would use the thus far unexploited low quality ore found in the Edremit region.
5. The German heavy industries which will be involved in the transaction are located in the Krupp A.G. area in Hanover, North Germany, Schleswig-Holstein, etc.
6. The firm of Schenker and Co., Bonn, has been involved since the beginning in the transactions concerning transportation of the munitions from Turkey to Germany. Four or five test deliveries consisting of individual items of 10 and 80 tons were loaded in Turkey by Fasting-Schenker and Co. In February the Kuehne and Nagel firm, Bonn, also became involved in the transportation. This firm was promised 50 percent of the future loading, and the efforts of Schenker and Co. to delay the total amount of all loaded material to be shipped appear to have been in vain (sic).
7. The large munitions loading will begin in the fall of 1957. The munitions will be take over by Schenker and Co. and Kuehne and Nagel in Kirikkale. The transportation to the shipping place, Istanbul-Maltepe, will be carried out by Fasting for Schenker and Co. and by E.R. Weissshaapl for the Kuehne and Nagel firm.
8. Turkish Army General, Kamil Argut, has been named representative in the Turkish Legation, Germany, for the purpose of carrying out the munitions agreement. He accompanied Krupp on his trip through Turkey and has visited the German heavy and Machine industries which will be involved in the munitions agreement.
9. The Minister Director of the Ministry of Commerce in Bonn, Dr. Staedtfeld, is the German counterpart of General Argut and will represent the German industries in future transactions with Turkey."

~~FOR~~ COORDINATION WITH ^{ed} STATE

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2-001

**OUTGOING
TELEGRAM**

INDICATE: COLLECT
 CHARGE TO Department

Department of State

CONFIDENTIAL

1957 JUL 24 PM 3 56

11079

661

SENT TO: Amconsul DUSSELDORF

Origin
VO
Info
EUR
DCI

URTEL 89 Alfred KRUPP.

Justice authorizes admission under Section 212(d)(3) ?
to participate International Industrial Development
Conference if otherwise admissible than under 212(a)(10)
subject revocation any time discretion Attorney General.
Department considers not ineligible 212(a)(9). If entering
other than at New York or Idlewild inform Department.

= DULLES

Dist.
Delivered
(Office
Only)

- G - Mr. Murphy
- EUR - Mr. Elbrich
- GER - Mr. Lisle

*Assume OK can
close registration
acted.*

150 Krupp, Alfred

Return EE/G/WS

Drafted by: SCA:VO:HMPryor:lh 7/24/57	Telegraphic transmission and classification approved by: Rolland Welch
------------------------------------------	------------------------------------------------------------------------------

REPRODUCTION FROM THIS
COPY, IF CLASSIFIED, IS
PROHIBITED.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

INCOMING TELEGRAM

Department of State

43

SECRET

Action

SAE

Info

RMR

SS

G

SP

C

L

SDA

IO

H

EUR

P

UOP

OLI

DCL

OCB

USIA

CIA

OSD

ARMY

NAVY

AIR

FROM: LONDON

TO: Secretary of State

NO: 683, JULY 24, 7 PM

SENT DEPARTMENT 683; REPEATED INFORMATION PARIS 118, BONN 79, MOSCOW, TOKYO UNNUMBERED.

USDEL DISARMAMENT NO. 438

PARIS FOR EMBASSY AND USRO

DEPARTMENT PLEASE POUCH OTTAWA

SUBJECT: REPORT OF FOUR POWER MEETING JULY 24, 12 NOON.

HIGHLIGHTS

1. FOUR POWER MEETING TODAY DEVOTED MAINLY TO DISCUSSION OF REPORT OF NAC MEETING JULY 23, SENT DEPT . POLTO 226, AND TO TACTICS IN CONNECTION WITH PRESENTATION REMAINING POSITIONS OF WESTERN FOUR.

2. WESTERN FOUR AGREED TO US-USSR BILATERAL ON NUCLEAR CUTOFF.

DETAILS

3. NOBLE REPORTED RECEIPT TWO TELEGRAMS FROM NATO. THE FIRST REPORTED NO OBJECTIONS TO WESTERN FOUR TABLING MISSILES PROPOSAL (US JUNE 11 PAPER) ON UNDERSTANDING THAT MISSILES INCLUDE BOTH INTERCONTINENTAL AND MEDIUM-RANGE MISSILES. STASSEN STATED INTENTION TO BEGIN PRESENTATION IN SUBCOMMITTEE MEETING JULY 25TH.

4. THE SECOND TELEGRAM DEALT WITH DISCUSSION OF INSPECTION ZONES AND COVERED GENERAL GROUND OF POLTO 226. NOBLE

Control: 14718

Rec'd: JULY 24, 1957
8:10 PM

112

DECLASSIFIED
disclosure
46
Na
By: *MM*
Date: *1/18/77*

UNLESS "UNCLASSIFIED"
REPRODUCTION FROM THIS
COPY IS PROHIBITED.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE/METHOD/EXEMPTION
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008
FOR COORDINATION WITH State

SECRET

-2-683, JULY 24, 7 PM FROM LONDON

REPORTED THAT NAC MEETING REQUESTED SPAAK TO PREPARE AND CIRCULATE NAC REPLY FOR CONSIDERATION BY NAC MORNING JULY 24.

5. DISCUSSION OF CHIEF PROBLEMS RAISED IN NAC MEETING:

(A) NAC SUGGESTS THAT PROPOSAL FOR 10 TO 60 DEGREE ZONE TO BE TABLED PRIOR TO PROPOSAL FOR 5 TO 35 DEGREE ZONE. GENERAL AGREEMENT TO GIVE FURTHER CONSIDERATION TO TACTICS AT WESTERN FOUR CONSULTATION JULY 25TH. UK AND FRANCE STATED IT WAS TACTICALLY UNDESIRABLE TO SEPARATE COMPLETELY PRESENTATIONS. NOBLE SUGGESTED THAT IF INITIAL PRESENTATION CONFINED TO LARGE ZONES SOVIET UNION WOULD CLAIM THAT THIS POSITION CONFIRMS STATEMENT IN BULGANIN-MACMILLAN LETTER THAT WESTERN DELS RETREATING ON AERIAL INSPECTION. STASSEN SUGGESTED CONSIDERATION OF MATTER ON JULY 25TH, INCLUDING AN INTERMEDIATE TACTIC OF FIRST SUGGESTING LARGE ZONE WITH STATEMENT THAT IF NOT ACCEPTABLE TO SOVIET UNION WESTERN FOUR READY TO NEGOTIATE FURTHER ON THIS QUESTION, THEREBY AVOIDING THE CHARGE REFERRED TO BY NOBLE OF TAKING A POSITION DESIGNED TO BREAK NEGOTIATIONS.

(B) PROBLEM OF MOBILE INSPECTION: NOBLE STATED THAT NAC WAS CONSIDERING THIS PROBLEM EXCLUSIVELY FROM STANDPOINT OF DISADVANTAGES OF MOBILE INSPECTION TEAMS OPERATING IN WEST AND WAS DISREGARDING ADVANTAGES TO WEST OF MOBILE INSPECTION TEAMS OPERATING BEHIND IRON CURTAIN. STASSEN AND HOLMES POINTED OUT THAT REPORT RECEIVED BY USDEL ON MOBILITY OF MILITARY LIAISON TEAMS NOW OPERATING IN EAST GERMANY SHOWED A CONSIDERABLE DEGREE OF MOBILITY NOW, AND NO RECOGNITION OF EAST GERMAN GOVERNMENT OR EAST GERMAN OFFICIALS.

(C) NATIONAL VERSUS INTERNATIONAL TEAMS: THERE WAS GENERAL COMMENT THAT NAC INSISTANCE ON NATIONAL TEAMS MIGHT RAISE DIFFICULTIES, MOCH POINTING OUT INCONSISTENCY BETWEEN INTERNATIONAL CONTROL ORGANIZATION AND NATIONAL INSPECTION TEAMS.

SECRET

SECRET

-3-683, JULY 24, 7 PM FROM LONDON

6. ON QUESTION OF TACTICS FOR FURTHER PRESENTATION OF WESTERN DEL POSITIONS, STASSEN SUGGESTED THAT MISSILES PRESENTATION COMMENCE ON THURSDAY, JULY 25, AND THAT ZONES PRESENTATION COMMENCE NEXT WEEK. STASSEN BELIEVED INFORMAL FIVE-POWER CONSULTATIONS SHOULD PRECEDE FORMAL PRESENTATION ZONES. THIS PROCEDURE AGREEABLE TO OTHER DELS.

7. STASSEN AND JOHNSON STATED AGAIN THAT US AND CANADA WILLING TO GO FORWARD PRESENTATION ARCTIC ZONE WITHOUT EUROPEAN ZONE. MOCH AND NOBLE PREFERRED JOINT AND SIMULTANEOUS PRESENTATION AND MOCH POINTED OUT THAT FRENCH GOVERNMENT VERY MUCH OPPOSED TO PRESENTING EITHER ZONE ALONE.

8. SHORT DISCUSSION OF AUGUST 1ST REPORT TO DISARMAMENT COMMISSION. IT WAS GENERALLY AGREED REPORT SHOULD GO NO FURTHER THAN STATEMENT THAT SUBCOMMITTEE IN SESSION AND WOULD REPORT FURTHER AS SOON AS POSSIBLE. THIS MATTER WOULD BE DISCUSSED WITH ZORIN AT INFORMAL FIVE POWER CONSULTATION.

9. JOHNSON RAISED QUESTION OF ANSWER TO SOVIET POSITIONS ON BASES. STASSEN POINTED OUT US POSITION IN OPPOSITION TO SOVIET PROPOSALS AND REFERRED TO PARAGRAPH 10 OF JUNE 15TH WORKING PAPER (PARAGRAPH 10 OF JUNE 11 US PASWP RHEWTLQ# PAPER).

10. WESTERN FOUR AGREED ON US-USSR BILATERAL. STASSEN STATED AS ONE SUBJECT FOR TODAY'S BILATERAL DISCUSSION SOVIET REASONS FOR OPPOSING LINKING OF TESTING TO PROVISIONS FOR CUTOFF, AND TO FOLLOW UP ON JULY 20TH BILATERAL.

WHITNEY

WDW

#AS RECEIVED, WILL BE SERVICED ON REQUEST.

SECRET

Holtz...

INCOMING TELEGRAM

Department of State

CONFIDENTIAL

53
Action

Control: 15244
Rec'd: JULY 25, 1957
1:21 PM

EUR FROM: BONN
Info TO: Secretary of State
RMR NO: 288, JULY 25, 2 PM

SS
G
SP
C
W
L
UOP
UMSA
E
REP
OLI
DCL

SENT DEPARTMENT 288, REPEATED INFORMATION LUXEMBOURG, PARIS, LONDON UNNUMBERED.

LUXEMBOURG FOR CSC

RE (1) EMBTEL 4839, (2) DEPTTEL 3584

ICA
OCB
CIA

1. BRITISH TELL US ^{Beitz} BEITZ OF KRUPP WORKS CALLED ON BRITISH AMBASSADOR RECENTLY AND MADE STATEMENTS SIMILAR TO THOSE REPORTED IN EMBTEL 4839. AMBASSADOR SAID TO HAVE MADE NON-COMMITTAL REPLY TO BEITZ. BRITISH SAY HMG IS INCLINED TO TAKE NO ACTION ON DECONCENTRATIONS TO PERMIT RELAXATION OF PRESENT CONTROVERSY (APPARENTLY REFERRING TO DISCUSSIONS IN PARLIAMENT). NEVERTHELESS, BRITISH EMBASSY OFFICER IS SEEING MOTZ IN GERMAN FOREIGN OFFICE AT LUNCHEON AND WILL INQUIRE INFORMALLY RE PROGRESS REPORT DUE JUNE 30.

2. RE DEPTTEL 3584. IT NOW SEEMS TO US AND BRITISH THAT BEITZ'S REFERENCE TO SO-CALLED PARIS AGREEMENT RESTS ON FACT THAT ARTICLE 8 OF CHAPTER II OF 1952 VERSION OF SETTLEMENT CONVENTION, CONTAINING STATEMENT THAT GERMANS INFORM THREE POWERS OF DECONCENTRATIONS, WAS ELIMINATED IN PARIS IN 1954; CONSEQUENTLY, NO OBLIGATION TO SUBMIT REPORTS EXISTS UNDER CONVENTIONS. SUGGESTION THAT GERMAN GOVERNMENT SUBMIT PROGRESS REPORT, AND READY ACCEPTANCE THIS SUGGESTION BY FOREIGN OFFICE, WAS NOT BASED ON ANY LEGAL OBLIGATION BUT ON DESIRABILITY OF SUCH REPORT AS BASIS FOR CONSIDERATION OF CHANCELLOR'S REQUEST.

BRUCE

RSB

CONFIDENTIAL

UNLESS "UNCLASSIFIED" REPRODUCTION FROM THIS COPY IS PROHIBITED.

DECLASSIFIED
Nazi War Crimes Disclosure Act
PL105-246

By: *WAC* Date: *1/8/77*

Pls return to *State*
DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

FOR COORDINATION WITH State

BUA 21357

2/2/57

20 July 1957

100-200
Re

()
Chief of Station, Embassy

Operational/Conf.

Re Dealings with the IIR

References: A. BUA 10237
B. BUA 42512

CT 200-1250 For your information

1. per paragraph 3 reference we attach two (2) IIR interviews and an article from Time Magazine which contain the subject of the business transactions in China. We are unable to identify one individual member of the Wu family mentioned in reference .

2. At present time we have no additional information.

()

Approved:

()

Distribution:

- 3 - w/attachments herewith
- 2 - w/o attachments
- 2 - w/o attachments

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

20 July 57

COPY

AIR MAIL

FOREIGN SERVICE

From : Embassy KARACHI

12/18

To : The Department of State

July 29, 1957

Ref : CERP Section 30 Items III-41, III-42, III-43

Subject: Certain Economic and Commercial Restrictions in the Pakistan Market
A British Analysis

4014213

The United Kingdom Trade Commission in Karachi has just completed an extensive survey of the extent of German competition in the Pakistan market during the period July 1952-December 1956. In addition to a summary on the competitive position of German goods, a detailed account is given for many commodities, details of German participation in the market in Pakistan are given. Much of the information contained in this report was derived from interviews with British businessmen in Karachi.

The reporting officer was unable to obtain a copy of this report which is forwarded in its entirety as far as possible. The classification of this study was conditional, however, upon the maintenance of the classification "Confidential." In this connection, questioning by officials of this report could not be given or shown to United Kingdom business interests. Board of Trade in spite of its obvious and direct interest in the report. The reporting officer was informed, however, that many of the conclusions stated in a published article on the Pakistan market in the Financial Times and the Economist were based on the report. It is believed that certain sections of this report might be regarded as essentially unclassified in nature.

UNCLASSIFIED

In past years much of the German success in the Pakistan market has been due to lower prices, shorter delivery dates, the offer of extended payment terms, willingness to participate in local industry, and, most importantly, aggressive and imaginative salesmanship. From the United Kingdom point of view, German competition now is entering a new stage with price and delivery schedules no longer creating such difficulties as German order books have become relatively full while the previously high prices have disappeared as German manufacturers have gained a foothold in the country. Also, the Government of Pakistan no longer is favorably disposed toward most deferred payment purchases. With regard to the direct competition by the Germans as the result of participation in local enterprises, it is obvious that the extent of United Kingdom participation is substantially reduced.

These things being so, it is apparent that the greatest advantage that German exporters will be able to exploit in the future will be the result of their salesmanship, which often includes the use of frequent and intensive selling tours by technically able salesmen who have been able to secure firm commitments, plus the comparatively greater willingness of German manufacturers to make available pre-sales advice and after-sales services (including the provision of technicians) in the field. In this regard, similar services have long been established in this area and, in some cases, United Kingdom businessmen have an

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

FOR COORDINATION WITH State

DECLASSIFIED
Nazi War Crimes Disclosure Act
PL1105-246

By: AKC Date: 3/16/7

~~CONFIDENTIAL~~

Page 2 of
Resp. No. 86
From Karachi

... extensive knowledge of local requirements and conditions.

The reporting officer feels that much of the above analysis is equally applicable to American exporters. ~~NO UNCLASSIFIED~~

For the Ambassador

Robert H. Curry
Chief, Economic Division

Enclosure

Copies
Dusa
Lahore

~~CONFIDENTIAL~~

Annex 1

EXPORTS TO THE UNITED KINGDOM FROM GERMANY 1951-57

Attached to Annex 1 is a statistical statement of exports from the United Kingdom and Germany to the United Kingdom, by commodity, for the years 1951-57, and details of the two principal commodities concerned. This shows that in 1951 and the end of 1956 the United Kingdom's share of total German exports to the United Kingdom stood at 35% and 33% respectively, but has since improved to 39% in the first half of 1956-57. The figure of 39% stands during the same period Germany's share of total exports to the United Kingdom rose from 5% to 11%. The statement, however, does not reveal the exact statistical position since the figures shown are for private account imports only. Details of government account imports (which have varied between 2% and 5% of total imports during the period under review) are not available, and from what little information the Ministry of Finance has furnished to us, we believe that our competitive position in this field is very much better. For instance, we know that in the trade year 1955-56 the United Kingdom supplied 53% of imports on government accounts. We do not know what Germany's contribution was but it could not have been more than 12% which was the share of "all other countries" (i.e. other than the United Kingdom, the U.S.A. and Canada).

2. These percentages will perhaps be seen in better perspective if compared with the figures for actual imports on government and private account during the years under review.

<u>Year</u>	<u>Total</u> <u>£m</u>	<u>On</u> <u>Private Account</u> <u>£m</u>	<u>On</u> <u>Government Account</u> <u>£m</u>
1951-52	243	11	30
1952-53	150	102	48
1953-54	126	80	46
1954-55	120	100	20
1955-56	96	77	19
1956-57 (July-Dec.)	78	39	39

3. The main fields in which there has been a decline in the United Kingdom position on private account are the following: iron and steel and manufactures from 35% in 1952-53 to 19% in the first half of 1956-57 (over the same period Germany's position improved from 6% to 14%); chemicals from 50% to 48% (Germany 5% to 15%); machinery from 53% to 42% (Germany 12% to 20%); vehicles from 55% to 39% (Germany 5% to 6%); and dyes and colours from 33% to 28% (Germany 11% to 24%). Of these the most important is the fall in our share of machinery imports, since on the one hand, despite the growing importance of raw materials, machinery is likely to continue for some years as the largest single item of Pakistan's imports (foodgrains apart), and on the other hand our own position in this market has become increasingly dependent on machinery exports. Here Germany has made the main inroad at our expense with a share which rose from 12% in 1952-53 to 26% in 1955-56, though there was a fall to 20% in the first half of the current trade year 1956-57.

CONFIDENTIAL

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

4. Statistics, however, are only one facet of an analysis such as this and in the following paragraphs it is proposed to examine the extent of German penetration under four heads:

- I. Participation in local industrial and developmental activity;
- II. Supply of plant and machinery;
- III. Supply of industrial raw materials;
- IV. Supply of consumer goods.

1. Participation in Local Industries.

5. German firms have in the last few years joined with local manufacturers in the following major enterprises - dry dock and shipbuilding yards (Göttschen Sohn/Pakistan Industrial Development Corporation); telephone factory (Göttschen & Balcke/Post and Telegraph Department); dyes and dyes stuffs plant (Krupp/Industrielle P.I.D.C.); pumping sets (K.S.B./Matala Engineering Co.); switchgear (Krupp/ Malik Diesels Ltd.). There is also under consideration a Krupp P.I.D.C. proposal for a steel mill at Multan and Mr. Amir Ali Qureshi is reported to be negotiating with Klockner Industrie Anlagen, Hamburg, for a boiler shop and wire drawing plant and also a scrap-iron conversion plant.

6. Dry Dock and shipbuilding yards. The estimated total cost of the Karachi dry-dock and shipbuilding yard is £52m. of which £3m. has already been spent on Phase One. The P.I.D.C. first sought to interest United Kingdom shipbuilders in the project, but they and the Ministry of Transport in London were dubious about the practical and economic value of the scheme. Subsequently, H. C. Stulken Sohn of Hamburg agreed to design and build the yard and dry dock and to run them for a period of ten years. By the end of 1956 phase I of the shipbuilding-yard (including workshops and foundries) was complete; the dry dock is estimated will be finished by mid-1958. All the major items of equipment were purchased in Germany and, although open tenders were invited for workshop machinery, in this case also practically all the orders went to Germany. The response by United Kingdom firms was poor and what bids they did put in were considered uncompetitive as regards delivery and design. Some work was sub-contracted, but no United Kingdom firms tendered. The quay wall went to Germany, the building berths to France and the dry dock to Gammon (Pakistan) Ltd., a British-controlled local firm.

7. The only United Kingdom participation in this project has been:

- (a) an agreement made in 1955 between Ruston & Hornsby and the P.I.D.C. under which the former are to assemble vertical marine diesel engines of from 30 to 500 h.p. in the shipyard. Progress in this direction has been constantly thwarted by the German management of the shipyard, but the first engine is expected to be assembled in November this year;
- (b) a British concern, Overseas Dredging Co. Ltd, has contracted to clear the approach channel to the shipyard which at present has an insufficient through flow of tidal water. This was one of the reasons why United Kingdom firms and the Ministry of Transport in London were doubtful about the shipyard's practicability.

Page
No.
Date
File No.

firm and they may well be... at the very fact that they are considering the proposal... limited liability firm have usually shown a certain reluctance to... a... has not been shared by the Germans.

12. The only other examples of actual participation by German firms in local industrial enterprises are:-

(1) The PESCO-KSB Pump Manufacturing Co. - a joint venture between Patilas (51%) and Klein Schanzlin & Bockler, A.G. (49%) for the manufacture of centrifugal and deep-well turbine pumps. Generally speaking, the venture has proved successful (only two component items are now being imported from Germany) though recently the company appears to have over-reached itself in trying to meet the whole of the indigenous demand for pump units.

(2) The arrangement between A.S.I. and Malik Diesels under which switchgear components supplied by the German company are assembled in the Pakistani firm's factory at Lahore. This arrangement does not duplicate that of Johnson & Phillips Ltd. who have their own branch factory for the assembly of switchgear sets on the Sind Industrial Trading Estate, Karachi.

(3) The Siemens-Standard plant on the Sind Industrial Trading Estate. This was set up to assemble switchgear, motor distribution boxes and electricity meters. It has only recently come into production and so far activity is confined to meter assembly.

13. Proposed steel mill and rolling hoop/wire drawing plant.

(1) The Krupp/P.I.D.C. Steel Mill project, under which Krupp would put up 10% of the capital and would over a period of ten years combine the roles of managing agents and consultants, has been the subject of bitter controversy between the P.I.D.C. on the one hand and the Finance Department and Planning Commission on the other. It has yet to receive financial sanction. Our understanding of the present position is that the Planning Commission has given the proposal a very low priority on the basis of its exchange-saving potential and that it is unlikely to mature in the foreseeable future. Mr. Barague, the Chairman of P.I.D.C., has not, however, given up trying to force his will upon the Government and the latest unconfirmed report is that he has secured an offer from Germany of three years credit on 80% of the price (initially £10 million, total £26 million) starting from the date the mill enters production (i.e. approximately 6 years credit altogether).

(2) Even better credit facilities (4 years on 100% from the commencement of production) are understood to have been offered to Mr. Amir Ali Fancy in connection with his proposed baling-hoop and wire-drawing plant; in addition to a 20% capital investment. None of these projects is likely to have any significant effect upon the U.K.'s normal trade with Pakistan. They are all largely "once for all" projects and to the extent that their products would replace imports (mainly ingots and billets), Belgium, France and Germany itself would be the main sufferers.

CONFIDENTIAL

CONFIDENTIAL

Jan. 1954
From Karachi

- (d) Transformers. The pattern here is much the same as for steam turbines, though English Electric recently obtained a \$103,000 order for the new Multan power station;
- (c) Hydro-electric plant. United Kingdom prices and deliveries in general appear to be competitive although the scope for business is limited in view of the plant being supplied, or likely to be supplied, as gifts by Canada under the Colombo Plan and the United States under F.O.A. aid.
- (f) Telecommunication equipment. Siemens and Halske are the principal competitors of U.K. interests in this field and their success is generally acknowledged to be the result of salesmanship rather than price. They are well established here (the telephone factory at Haripur) and have excellent relations with the Posts and Telegraphs Department. Lorenz products are cheaper than Siemens' or Marconi's but that firm has not so far made an attempt to enter the market.

Nevertheless, local representatives of U.K. firms are generally optimistic about the market for electrical equipment. They speak of lengthening German order books, recent wage awards in Germany and a noticeable tendency for German firms to raise prices once they have secured a foothold in Pakistan. There is a feeling that the period of German superiority in this field is ending and that German prices must increasingly come into line with our own;

- (ii) Internal combustion engines. In Pakistan these are nearly all diesels. Germany is our principal competitor, particularly in the 200 to 500 h.p. range of vertical engines. There is little or no competition in lower horsepower engines, either in the vertical or horizontal class, where the market is dominated by the United Kingdom. German slow-running engines in the 200 to 500 h.p. range are sold here, principally the 1000 cc. type, at a price which has to some extent sacrificed standards in order to produce a cheap engine which is sold for 10% to 15% less than a comparable British engine. As in other fields, delivery dates are no longer a determining factor in the diesel oil engine market.
- (iii) Boilers and boilerhouse equipment. Pakistan is predominantly a United Kingdom boiler market. Last year the United Kingdom supplied Rs.1.2 million worth of boilers against Rs.0.1 million supplied by Germany. The only competition comes from Germany; Krupp, M.A.N. and Steinhilber. Competition from Krupp and Steinhilber is vigorous; these two firms have in the past quoted at a loss to gain a foothold in the market. They have also secured business by quoting deliveries which they knew could not be fulfilled, secure in the knowledge that Pakistani estimates for the related civil works were equally unrealistic;

CONFIDENTIAL

FOR COORDINATION WITH ^{ed} State

Declassified and Approved for Release
by the Central Intelligence Agency
Date:

NAZI WAR CRIMES DISCLOSURE ACT

INCOMING TELEGRAM

Department of State

31
Action
VO
Info
SS
G
SP
C
L
EUR
P
SCA
SY
OLI
DCL
CIA

CONFIDENTIAL

FROM: DUESSELDORF
TO: Secretary of State
NO: 6, JULY 29, 5 PM

Control: 17844
Rec'd: JULY 30, 1957
7 AM

SWF

OH

JULY 24 RE KRUPP.

DID ATTORNEY GENERAL LIMIT KRUPP STAY TO ACTUAL DATES OF CONFERENCE AND TO SAN FRANCISCO AREA? KRUPP NOW REQUESTS AT LEAST TWO WEEKS IN UNITED STATES. TRAVEL PLANS: UNITED AIRLINES FLIGHT VIA VANCOUVER PORT OF ENTRY SAN FRANCISCO ARRIVING 14:30 OCTOBER 13. RETURN VIA CHICAGO, PITTSBURGH, NEW YORK WITH BUSINESS CONFERENCES IN THOSE CITIES INCLUDING MEETING WITH JOHN MCCLOY OF CHASE MANHATTAN BANK NEW YORK.

LUDDEN

SW:RSB

yes Ref

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2006

CONFIDENTIAL

UNLESS "UNCLASSIFIED"
REPRODUCTION FROM THIS
COPY IS PROHIBITED.

CLASSIFIED MESSAGE

DATE 202 RFL/ECC/ERB
10 AUG 57 2.2

SECRET

ROUTING	
1	<i>Hand</i>
2	<i>Ph</i>
3	<i>Can</i>
4	<i>Hand</i>
5	
6	

TO : DIRECTOR
FROM : []
ACTION : SE 6

EE/AM-DM

AUG 10 15 49 257
REC'D CABLE SECT.
ROUTINE
IN 37118

INFO : COP, A/DD/P/P, FI, FI/OPS, FI/ADM 3, FI/RI 2,
PP 2, PP/OPS, PP/ECD, LE 4, DD/I, AD/CI, S/C 2

TO DIR INFO [] CITE []

TURKEY INTEL MUNITIONS AGREEMENT STI 959. DATE INFO AUG 57.
SOURCE AMERICAN ARMY OFFICER FROM TURKISH ARMY OFFICERS F6.

1. TURKEY ALLEGEDLY UNABLE SUPPLY AMMUNITION TO WEST GERMANY AS PER AGREEMENT WITH KRUPP.
2. FIRST TURKISH ARMY ORDERED NOT TO FIRE CERTAIN CALIBER WEAPONS, SPECIFICALLY 50 CAL MG. SOURCE UNDERSTANDS THIS DUE TO TURKISH ATTEMPT FULFILL SOME OF COMMITMENT TO WEST GERMANY BY SUPPLYING AMMO MEANT FOR OWN USE. THIS AMMO ORIGINALLY FURNISHED TURKEY UNDER USA AID PROGRAM AND NATO AGREEMENT.

END OF MESSAGE

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3826
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

SECRET

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED. Copy No.

10 Aug 57

NAZI WAR CRIMES DISCLOSURE ACT

10 August 1957.

DIE WELT - Nr. 184 - Seite 11

DAS PORTRÄT

Alfried Krupp

Der Träger eines großen, weltbekannten Namens, der Inhaber eines der größten deutschen Unternehmen — und dennoch mehr als nur ein Enkel, ein Erhalter und Erneuerer, das ist Alfried Krupp von Bohlen und Halbach, der am kommenden Dienstag seinen 50. Geburtstag feiert. Außerlich erinnert er etwas an den berühmten Großvater Alfred Krupp, aber er ist von ganz anderer Wesensart. Diese etwas schüchtern, zurückhaltende und rücksichtsvolle Art paßt ausgezeichnet in diese Zeit, denn gerade damit hat er sein Unternehmen aus der gefährlichsten Krise seiner bewegten Geschichte gerettet. Er hat mit kühnem Griff einen neuen Anfang gesetzt, und was Krupp seitdem wieder geworden ist, das ist bedeutend genug und das ist seinem stillen, zähen Wirken hinter den Kulissen zu verdanken.

Man hätte es dem jungen Mann kaum zugemutet, als er der Zucht des Hauses der Villa Hügel, entwachsen und in die Welt entlassen wurde. Zum Studium der Hüttenkunde an den Technischen Hochschulen von Aachen, Berlin und München, zwischendurch in den Semesterferien als Praktikant im Hüttenwerk



Foto: DIE WELT

Rheinhausen. Er war immer ein begabter Schüler, der auch sein Diplom in Aachen 1934 mit Auszeichnung machte, aber er trat nie besonders hervor. Er stand auch als Mitglied des Vorstandes der damaligen Fried. Krupp AG seit 1936 im Schatten seines Vaters, bis er im Jahre 1943, als der Vater ernstlich erkrankte, zum Alleininhaber der Firma aufstiege, die damals in eine Personalgesellschaft umgewandelt wurde.

Damit kam die Stunde seiner großen Bewährung, denn er wurde nach dem Kriege an Stelle seines todkranken Vaters von den Alliierten in Nürnberg angeklagt und bis zu seiner Begnadigung 1951 in Landsberg in Haft gehalten. Diese Belastungsprobe hielt der unschuldige Mann glänzend durch und rettete damit den Geist des ganzen Hauses. Als er 1953 die Firma wieder übernahm, war sie nicht ein Trümmerhaufen. Heute zählt sie, auch ohne Eisen und Kohle, vor allem aber ohne Kanonen, zu den bedeutendsten Maschinenbau-Konzernen Deutschlands und der Welt.

Wenn heute auf der ganzen Welt der Name Krupp wieder mit Respekt genannt wird, dann ist es Alfried Krupp zu danken, der auch unermüdet durch seine Reisen in die weite Welt, in den Nahen und Fernen Osten, nach Mittel- und Südamerika, für den Wiederaufbau der Geschäftsbeziehungen seiner Firma im friedlichen Sinne wirkt. Daß ihm dabei seine Vorliebe für das Fliegen (er sitzt selbst am Steuer) zustatten kommt, sei noch am Rande erwähnt. Und ebenso seine stille, aber nachhaltige Beteiligung an den großen Ausstellungen und kulturellen Veranstaltungen in der Villa Hügel, die dadurch praktisch zu einem Volksbesitz geworden ist.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2006

info

2

3

3-18

10 Aug 57

Turkey allegedly unable supply ammunition to WGer as per agreement w/Krupp. ----

1-WGER/OH

FORM NO. 44J
1 AUG 56
REPLACES FORM 35-31
WHICH MAY BE USED

ABSTRACT FILE SLIP

(18)

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

DATE 380 MRL/LB/MRL/gk/b
12 AUG 57

CLASSIFIED MESSAGE

S-E-C-R-E-T

ROUTING	
1	EEK
2	CE
3	CAW
4	PP
5	CEE
6	COP

TO DIRECTOR

FROM

ACTION: EE 6

INFO DCI, D/DCI, COP, A/DD/P/P, FI, FI/OPS, FI/RQM 3, FI/RI 2, PP 2, PP/OPS, NEA 4, WE 4, DD/I, AD/CI, S/C 2, FI/D 2, PP/ECD

AUG 13 0148Z 57

ROUTINE

IN 37731

TO DIR

INFO

CITE

INTEL/WEST GERMANY/EGYPT

OEL 19453, JUNE/JULY 57, ESTABLISHED SOURCE WITH GOOD ACCESS.

1. FOR SOME TIME KRUPPS HAVE DISCUSSED WITH NASR EQUIP FOR SUEZ CANAL BUT UP TO JUNE NEGOTIATIONS HAD COME TO NOTHING AS NASR UNABLE FURNISH ADEQUATE GUARANTEES PAYMENT. (KRUPP'S POLICY IS TO PROVIDE EQUIP AND SERVICES IN EXCHANGE RAW MATERIALS RATHER THAN ACT AS FINANCIERS.)
2. IN MID JULY INFORMANT LEARNED NASR WILL NOW PROBABLY AGREE KRUPP'S TERMS FOR BUILDING DOUBLE PIPE LINE ALONG CANAL AND KRUPP'S ENGINEER ALREADY NEGOTIATING WITH SUB-CONTRACTORS WHO SUPPLYING PIPES.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

S-E-C-R-E-T

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED.

Copy No.

INCOMING TELEGRAM

Department of State

LEESER

Writing paper

53

CONFIDENTIAL

Action

VO

Info

SS

G

EUR

E

SCA

SY

OLI

DCL

CIA

Control: 16121

Rec'd: AUGUST 26, 1957
2:00 PM

FROM: DUSSELDORF

TO: Secretary of State

NO: 13, AUGUST 26, 5 PM

SENT DEPARTMENT 13, REPEATED INFORMATION BONN 6.

REF DEPTTEL 16, AUGUST 23.

ON SEPTEMBER 28 KRUPP PLANS TO FLY IN PRIVATE PLANE OF CYRUS EATON FROM TORONTO TO CLEVELAND WITH RETURN TO TORONTO FOLLOWING DAY. PURPOSE IS DISCUSSION OF THEIR IRON ORE DEPOSIT HOLDINGS IN UNGAVA, LABRADOR. HE WILL THEN REMAIN IN CANADA UNTIL OCTOBER 13. LEAVES VANCOUVER BY UNITED AIRLINES AT 0640 OCTOBER 13 ARRIVING SAN FRANCISCO 1342. IN LIGHT ALL CIRCUMSTANCES I RECOMMEND ISSUANCE MULTIPLE ENTRY VISA FOR PERIOD STATED DEPTTEL 16, AUGUST 23.

LUDDEN

CEE still interested?

GEV/21

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

26 Aug 1957

CONFIDENTIAL

UNLESS "UNCLASSIFIED"
REPRODUCTION FROM THIS
COPY IS PROHIBITED.

DECLASSIFIED

FOR COORDINATION WITH State

Nazi War Crimes Disc. Act
PL105-246

By: mm Date: 1/8/72



DEPARTMENT OF STATE INSTRUCTION

SECRET

2596

Withy

ORIGIN: NO. CA-1955 August 27, 1957

COPY NO. 79

SUBJECT: EXCON: Sale of Armature Plate and Transformer Sheet to Communist China

- INFO
- DCI
- REP
- SEC
- FE
- GLI
- ICA
- AIR
- ARMY
- NAVY
- VED
- CIA
- COMB
- TR

TO: Bonn, Dusseldorf and USRO/ST Paris

The following CAS information, evaluated as probably true, has been cleared for ACTION, classified SECRET/NOFORN for Bonn and Dusseldorf, and for BACKGROUND USE ONLY/NOFORN, classified SECRET for USRO/ST Paris. (CA-232, July 6, 1956, prescribes the use that can be made of CAS information under these clearance categories.)

It was reported on June 18, 1957, that the Krupp Eisenhandel G.m.b.H., Dusseldorf, West Germany, had sold 172 long tons of armature plate for dynamos and 120 long tons of transformer sheet to Communist China. Neither the price asked for these goods nor the method of shipment are known to source."

The Department is pouching this information to the addressee posts for their background use.

DELIES

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

Return to Withy, 2205 K

SECRET

DATED BY: OR: ECD: FT/Kelley: sp: 8/27/57

APPROVED BY: Jerry Knoll

CLEARANCES: IAD-Miss Rodier ICA/MDAC-Mr. Shaw RFP-Miss Mitchell RA-Mr. Sanderhoff

DECLASSIFIED
Crim. Disclosure Act
105-270

By: *WAR* 1/8/7

FOR COORDINATION WITH State

Classified and Approved for Release
by the Central Intelligence Agency
Date: 2001

FOR COORDINATION WITH ^{ed} STATE

NAZI WAR CRIMES DISCLOSURE ACT

OUTGOING TELEGRAM

INDICATE: COLLECT CHARGE TO

Department of State

CONFIDENTIAL

16257

1957 AUG 29 PM 427

DC/T

SENT TO: Ambassador, DUSSELDORF

18
Josson
W. Thy

Orig
Info
SA
TIP
SCA
S
OII
CIA

URTEL 13

Issuance multiple entry visa would require reopening
212(d)(3) section with Immigration Service since authorization
valid only one admission. Department does not desire reopen
question unless double entry unavoidable.

DULLES -

Dist.
Deliver
Office
Only

150 Krupp, Alfred

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2006

Drafted by: *WJA: VQ: RCP: rps:ms 8/28/57*

Telegraphic transmission and classification approved by: *Holland Welch*

Classified by:

QED

Mr. Williams
Mr. Reinstein

CONFIDENTIAL

REPRODUCTION FROM THIS COPY, IF CLASSIFIED, IS PROHIBITED.



NAZI WAR CRIMES DISCLOSURE ACT

N. Y. Times
SEP 18 1957
**KRUPP PLANNING
VISIT TO CANADA**

Special to The New York Times.
GERMANY, Sept. 17—Alfred Krupp left by plane for Canada today on a business trip during which he will visit the United States.

Herr Krupp, owner of the billion-dollar Krupp industrial organization, will make a coast-to-coast survey of investment possibilities in Canada. He will fly to San Francisco to take part in the International Industrial Development Conference Oct. 14 to 18.

The conference, an invitation meeting of business men from many countries, will be under the general chairmanship of Henry R. Luce, editor of Time, Life and Fortune.

Herr Krupp received a visitor's visa from the United States consulate in Dusseldorf last month. He had previously been considered ineligible for admission to the United States because of a 1947 war crimes conviction.

A Personal Survey
A company spokesman said that Herr Krupp's main purpose in the trip was the personal survey of Canadian natural and industrial resources.

Herr Krupp is a member of a West German industrial consortium, which joined forces on an equal basis with Cyrus S. Eaton, Cleveland financier, to buy extensive iron-ore deposits in the Ungava Bay region of Quebec. The area is believed to hold one of the world's great untapped deposits of iron ore.

The Krupp spokesman emphasized today that no decision had yet been made on commercial exploitation of the property. He said the decision must await "final results of a technical survey and mutually satisfactory financial arrangements."

German members of the consortium besides Krupp are Mannesmann, Gute-Hoffnungshütte, the Bochumer Verein and the Westfalen Verein. All are major iron and steel fabricators, interested in insuring future supplies of their basic raw material.

Herr Krupp also plans to visit the Alberta oil field region. The Krupp organization has no known investment in Canadian oil development at this time.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

18 Sept 57

NAZI WAR CRIMES DISCLOSURE ACT

- FF 3 -

EAST GERMANY
Sept. 20, 1957

CDU-U. S. 'UNHOLY ALLIANCE' IN W. BERLIN

Berlin, ADN, in German Hellschreiber to East Germany, Sept. 19, 1957,
0809 GMT--L

(BERLINER ZEITUNG Editorial: "Power Intoxication")

(Summary) Adenauer's CDU follows up its election victory with the preparation of a serious blow against the SPD. As a battleground the CDU has chosen the NATO front-line city of West Berlin where the SPD's readiness to form a coalition has given the CDU great self-confidence. In connection with the problem of electing a new West Berlin mayor, the CDU has had the impudence to interfere openly in the inner party affairs of the SPD. "Adenauer feels that the time has come to politically emasculate the SPD." Thus, although it is obviously the sole concern of the SPD to decide about the succession to the late Dr. Suhr, the CDU insists that the mayoralty candidate be chosen by a majority of the West German SPD congress, and the CDU even demands that a certain person be selected, --Brandt, president of the West Berlin parliament.

"The broad masses of West Berlin voters feel that this CDU attempt to dictate to the SPD is designed to destroy the last remnants of democracy in West Berlin." In these circumstances the West Berlin SPD must, in order to preserve its independence as a party, put an end to the coalition with the CDU forthwith.

It is significant that Miss Dulles, U. S. expert on Berlin affairs, has suddenly put in an appearance in West Berlin. She always turns up when an attempt is made to coerce the SPD into obedience. All this means that an unholy alliance between the CDU and the Americans is now engaged in handing over West Berlin to Adenauer and his concept of totalitarian power.

U. S. AGENT GROUPS WILL BE ANNIHILATED

Berlin, Deutschlandsender, in German to East and West Germany, Sept. 19, 1957, 1842 GMT--L

(Commentary by Karl Eduard von Schnitzler)

(Excerpts) Yesterday, Herr Dr. Alfred Krupp von Bohlen und Halbach arrived in Montreal, Canada, to negotiate about the possibilities for iron ore mining in the Quebec region. For one hour Canadian workers demonstrated in front of his hotel. They carried streamers with the legend "Back to Nuremberg," "War Criminal," "Krupp, the Enslaver," and so forth. Rather unpleasant, for Canada is, after all, a NATO member which is trying so hard to whitewash the present representatives of the Federal Republic.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

EAST GERMANY
Sept. 20, 1957

It is, of course, difficult to make war criminals seem fit to appear in drawing rooms. Actually, it is possible to make them fit to appear in the drawing rooms of the upper ten thousands where German's war criminals are respected, but to succeed in making simple people in all countries believe that Krupp and his scum are honorable men and good allies is almost impossible. This is particularly true since those gentlemen do not themselves contribute toward improving their bad reputation.

Nor can they. They cling to their old plans. They let loose their responsible representatives, their chancellors, their ministers, party leaders, and journalists on the population so as to capture public opinion. Talking about disarmament, they steer their course toward rearmament. They say defense and they mean attack; they say unification and they mean division; they say security and they mean insecurity.

Sometimes they even speak the truth. Especially in the heat of the election campaign they let slip this admission: Liberation of the eastern zone, for instance; somebody else demands: Warsaw, Prague, and Budapest must be liberated. The third wants to rub out the Soviet Union. In short, we find the old people and the old plans and the old methods. And a straight line leads from the crimes committed by the Krupp family in the past, and planned by the Krupp family for the future, toward the Scharnhorststrasse where four men and one woman were proved before the Supreme Court of the GDR to have committed the most grave crimes.

Krupp and the crimes of which he and his like were reminded yesterday in Canada are not meant as cumbersome introduction to a commentary about this trial. The purpose is rather to put the crimes in proper context.

It might be said that these defendants are small fry who wanted to earn a few marks by their work for the U. S. secret service. Or perhaps it might be said that one should not make such a fuss about it. Perhaps one or two of these people were really not aware of the actual importance of their crimes. What, counts, however, are the facts. Are all these crimes really worth a trial before the Supreme Court and do they deserve such harsh punishment?

Such events cannot be properly evaluated unless they are placed in proper context. It is a proven fact that the U. S. War Department, being the supreme NATO authority, is maintaining through its secret services, the CIC and MID, a large number of organizations such as the "Group Walter" (word indistinct) which under the direction of U. S. Captain William von Walter, the son of the owner of a large estate near Potsdam, an emigrant and naturalized American, worked from West Berlin against the GDR and was smashed by the organs of our state security forces.

EAST GERMANY
Sept. 20, 1957

The chiefs of main divisions and chief agents "kept" by these authorities were undoubtedly poorly paid and badly treated, but they are not small fry who can claim our leniency, let alone pity. Their dirty work in the service of the U. S. secret services directly serves the preparation of war. The NATO general staff needs their information for the drawing up of its aggressive plans. Their preparations for actual war will come into force once the sudden attack has started. Their measures, the kindling of dissatisfaction, the organizing of gangs, the provision of arms, ammunition and radios for these gangs are designed to serve the purpose of bringing about a war.

A warlike conflagration in central Europe, however, means atomic war. Even the smallest item of military espionage is therefore a crime against peace deserving of the harshest punishment.

But where does the name Krupp come in? In this context Krupp's name only stands for men of his kind. We might just as well have said Mannesmann, Flick, Siemens, I. G. Farben or Stines. It is in their interests, like that of their American friends, to make money out of armaments. This is what Krupp, NATO, Washington, and Bonn want. This is the aim of CIC and MID, and he who lends himself to their purposes will be annihilated.

The hundreds of agents' organizations in West Germany and West Berlin could not exist if they were not tolerated and supported by the Federal Government. Konrad Adenauer believes that the election results have furthered his cause, but he is mistaken. The verdict of guilty inflicted on his outriders by the Supreme Court of the GDR gives the lie to his hopes. The "group Walter" no longer exists. There are still other groups, including the "group Adenauer" and the "group Krupp." They will be no more successful than "Walter's men." One day the law court and a just verdict will catch up with them too.

OFFICIAL USE ONLY

- FF 6 -

EAST GERMANY
Sept. 20, 1957

MAX REIDMANN SPEAKS OF ELECTION RESULTS

Berman, Freedom Station 904, (Clandestine), in German to West Germany,
Sept. 18, 1957, 1945 GMT-G

(Max Reimann speech on the election results)

(Text) In the name of the Central Committee of the Communist Party of Germany and in the name of its political bureau, I want to thank all party members and patrons for their selfless work during the Bundestag elections. Our party in this struggle again has proven that the communists, despite ban and persecution, perform their duty toward the German working class and the entire German people.

The German monopolists and militarists in this election campaign have made use of all their strength in order to keep the Adenauer party in power so that it can continue its policy which is hostile to the people and dangerous to peace. They have financed the CDU/CSU election campaign with many millions and deceived the people with demagogic propaganda tactics about the actual goals of the Adenauer CDU/CSU policy.

But we know that not all who have voted for Adenauer simultaneously approve atom war preparations, a course leading to a clerical-fascist dictatorship, an attack on the living conditions of the working masses, and a policy favoring an intensified cleavage of Germany.

The outcome of the elections has created a very serious situation. The governing circles of the Federal Republic, supported by the absolute majority of the Adenauer party in the Bundestag, will attempt to continue their policy of atomic rearmament. They will attack the rights of the workers and the living conditions of the working masses in order to finance

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

EXTRACT

EGLA-25091

23 Sept 1957

[REDACTED]
Chief of Station, Germany
(Attn: C)
Chief of Base, Pullach

Operational/UPSWING/UJDROVER ()

UJDROVER Intercepts, 12-28 August 1957

DESENSITIZED
per DOI 70-17

4.

HUNDHAUSEN, fm. Prof. Private telephone number: 41078.
Called at home by SLAVIN, who leaves the message that he wants to
speak to him about the picture by van Gogh - he has no answer as
yet. The Ambassador will perhaps visit the Villa Rugel next week
and they can discuss it then. 8d (2057). KUBARK only. Per
previous conversation (44c, 2164), HUNDHAUSEN is with KRUPP in Essen.
He has been in Austria for four weeks.

()

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

SECRET

27 Sept 57

Bertha Krupp verkörperte ein Zeitalter

Die Herrin von Villa Hügel

Von unserem Redaktionsmitglied FERDINAND FRIED

Hamburg, 22. September

Wie eine Gestalt aus einer längst vergangenen Zeit ragte Bertha Krupp noch in unsere Tage hinein. Sie lebte legendenunwoben irgendwo auf der Villa Hügel, jenem herrlichen Parkgelände am Rande der ruhigen Stadt Essen, wo sich heute schon das Volk aus dem zwanzigsten Jahrhundert ergeht. Sie war noch eine Verkörperung jenes unruhigen und aufgeregten neunzehnten Jahrhunderts, das uns die Maschinen und Kanonen aus Stahl beschert hat. Sie war gewissermaßen die Taufpatin der „Dicken Bertha“, jener großen 42-Zentimeter-Kanone, die die Deutschen im ersten Weltkrieg als Überraschung beschafften und mit der sie die belgischen Festungen Lüttich, Namur und andere eroberten. Inzwischen spricht die Welt nicht mehr von Kanonen, sondern von Atombomben und Raketen, und so ist diese Zeit im Grunde genommen auch über diese würdige alte Dame aus dem neunzehnten Jahrhundert hinweggegangen.

Das Streben nach oben

Als sie geboren wurde, befand sich die alte Aristokratie in Auflösung, und das Bürgertum war in vollem Anmarsch mit seinem ganzen Optimismus, mit seinem klingenden Goldbeutel, mit dem es glaubte, die ganze Welt kaufen zu können, auch Fürstentümer und Adelstitel.

Der deutlichste Ausdruck für dieses Streben des Bürgertums nach oben war die Villa Hügel und war die Atmosphäre in der Familie Krupp. Mit einem wahren Rausch an Begeisterung riß man seine Zeit an sich, man drang in die alte Aristokratie, man ahmte sich nach in ihren Allüren — und man glaubte schließlich, auf diese Weise doch den Verfall und den Untergang der ganzen Kaste aufhalten zu können.

Fürtlieber als bei den Krupps am dem Hügel konnte es gegen Ende des Jahrhunderts, bis zum Ausbruch des ersten Weltkrieges, kaum noch zugehen, und Bertha Krupp war in diesem Purpur schon hineingeboren. Der Vater Friedrich Alfred Krupp, etwas zu früh im Schatten des großen alten Mannes stehend und im Grunde unter der Bürde der Regentschaft dieses riesigen Reiches leidend; die Mutter schon aus alldem Hause, eine hoheitsvolle und imponierende Frau, die viel von ihrem Wesen auf die einzige Tochter Bertha geprägt hat. Sie wuchs heran, in Purpur, aber auch in Strenge und Ordnung, wie es einem fürstlichen Hause zukam.

Der Kaiser wollte oft als Gast im Hause und hob es dadurch in die höchsten höfischen Sphären, der Kaiser erleichterte ihr die Ehe mit dem jungen Legationsrat von Bohlen und Halbach, den sie in Rom kennengelernt hatte; der Kaiser stand als Pate an der Wiege des ältesten Sohnes Alfred, dem heutigen Alleinerben, der vor wenigen Wochen erst seinen fünfzigsten Geburtstag gefeiert hat und der sich gerade auf einer großen Geschäftsreise durch Kanada und die Vereinigten Staaten befindet.

So versammelte die Villa Hügel unter der Ara der Bertha Krupp von Bohlen und Halbach alles, was Rang und Namen hatte in der deutschen, ja in der europäischen Vorkriegsgesellschaft, aus der Aristokratie, aus dem Großbürgertum, aus Wirtschaft und Wissenschaft und aus den Kreisen der Künste. Wie die Fürsten fühlten sich die Krupps als Mäzene, wenn auch damals noch im Geschmack jener Zeit, auch mit Kostümfesten und Ritterspielen. Man spielte und kopierte eben immer die vergangene adlige Gesellschaft in ihrer größten Blüte. Aber das Mäzenatentum wirkt noch heute

nach in der Stiftung der Villa Hügel, und die Künstler, die heute hier gezeigt und von hier gefördert werden, sind durch und durch modern geworden, Kinder unserer Zeit und unserer Zukunft.

Das alles hat die alte Dame miterlebt und noch viel mehr. Sie ist mit jener Distanz auch mitgegangen die würdigen alten Damen eigen ist. Sie hat ebenso wie die Höhen des Daseins vor dem ersten Weltkrieg auch seine Tiefen durchgekostet, und nichts ist ihr erspart geblieben. Sie war die einzige Erbin des größten Vermögens in Deutschland und sie hütete den Ruf des Namens und die Tradition des Hauses wie eine Priesterin. Sie sah das Werk zum erstenmal nach dem Zusammenbruch von 1918 zusammensinken, aber mit ungewöhnlicher Kühnheit stellte man sich in Essen auf ganz neue Fabrikationszweige um, die heute noch blühen und gedeihen. Sie sah ihren Mann Gustav von Bohlen und Halbach, der auch den Namen Krupp führen durfte, nach dem Einmarsch der Franzosen im Ruhrgebiet unter schwerer Anklage stehen und ins Gefängnis wandern. Und sie erlebte dann den Wiederaufstieg, die neue Blüte der Firma bis zum zweiten Weltkrieg. Wie einst der Kaiser, so zeigte auch Adolf Hitler dem Hause seine ganze Günst — aber dieser „Volksführer“ war im Grunde nie nach dem Geschmack der aristokratischen alten Dame.

Dann kam die große Katastrophe von 1945, die alles zu vernichten schien, was ein Jahrhundert vorher aufgebaut hatte. Das Werk in Essen war kurz vorher durch Bomben zerstört, und die stehengebliebenen Anlagen wurden gesprengt oder demontiert, wie man einstmals eine Festung schleifen ließ. Krupp war das Symbol der deutschen Rüstung geworden, und nichts sitzt fester in den Hirnen als falsche Vorurteile. Was ihr als Frau aber viel schlimmer war, das was das furchtbare Schicksal ihres Mannes, den ein schwerer Schlaganfall getroffen hatte und der dann noch einige Jahre völlig gelähmt im Bett liegen mußte, bis ihn der Tod erlöste. In dieser Zeit wuchs die mutige Frau zu wahrer Größe. Sie saß am Bett des Kranken in einem kleinen Jägerhaus ihrer alten Besitzungen im Salzburgerischen, sie pflegte ihn mit unermüdlicher Ausdauer, und sie hielt alle Anfeindungen aus der bösen Welt von ihm fern. Sie ertrug es doppelt mit ihm.

Als Kriegsverbrecher sollte er angeklagt werden, und als man auch bei den alliierten Siegern einsah, daß man den todgeweichten gelähmten Mann nicht von seinem Lager auf die Anklagebank nach Nürnberg schleppen konnte, da wurde der älteste Sohn Alfred in einer Speisekammer stellvertretend für den Vater geholt und nach Nürnberg, dann nach Landsberg gebracht. Der zweite Sohn Berthold war in Rußland verschollen, und niemand ahnte damals,



Bertha Krupp von Bohlen und Halbach Foto: AP

ob und wann er zurückkehren würde. Das alles mußte diese Frau noch in ihrem Alter ertragen — gewiß wie viele, viele andere Frauen auch. Aber dieser Sturz aus einer einst so stolzen Höhe war fürchterlich. Sie trug es mit Würde und Gelassenheit, und sie reifte so zu jenem ruhenden Pol, um den später, als der Spuk verfliegen war, die Kräfte des Wiederaufbaues kreieren konnten.

Ein Fels im Meer

Daß sie diesen Wiederaufstieg in den letzten Jahren noch erleben konnte, war wohl die eigentliche Erfüllung ihres Lebens. Der Sohn war gehärtet in der Schmelze des Lebens, die Firma gewann ihren alten Glanz in der ganzen Welt, wenn auch in verwandelter Gestalt, nicht mehr Gußstahlfabrik, sondern größte Maschinenbauanstalt. Von Kanonen wird ganz geschwiegen. Der alte Verruf, der auf dem Namen lastete, ist wieder genommen, und zum Siegel seiner völligen Rehabilitation hatte Alfred Krupp gerade in diesen Tagen sein erstes amerikanisches Visum nach dem Kriege erhalten. Er kann es nun nicht mehr ausnutzen, weil er zur Bahre seiner Mutter eilen muß.

Bertha Krupp verkörperte ein ganzes Zeitalter, und mit ihr geht nun eine ganze Zeit ins Grab. Sie umspannte mit ihrem Leben die Epoche der technischen industriellen Revolution, von der Eisenbahn zum Düsenflugzeug, von der Kanone zur Fernrakete. Sie repräsentierte die Gesellschaft in ihrer Auflösung von der alten Aristokratie bis zum jungen Bürgertum, das dann auch unter dem Anmarsch der modernen Massen versank. Sie stand noch bis zuletzt wie ein Fels in diesem Meer, aber sie machte sich keine Illusionen mehr. Der Sohn, der jetzt endgültig und allein dieses Erbe antritt, spürt die Verpflichtung und Verantwortung, die auf ihm lastet, noch viel stärker, und er weiß, daß er selbst der Repräsentant einer ganz anderen Zeit ist, von der wir noch nicht wissen, wohin sie uns führt.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2006

Nach einem gesegneten und vielen Prüfungen unterworfenen Leben
entschlieft am 21. September 1957 im 72. Lebensjahr

Frau
Bertha Krupp von Bohlen und Halbach
geb. Krupp

Sie war uns die gütige, immer verständnisvolle Mutter, der liebe-
volle Ratgeber der Familie und der gute Geist unseres Hauses.

In ihrer großen menschlichen Würde, mit ihrer unveränderlichen
inneren Ruhe blieb sie auch in den schwersten Notzeiten, unange-
tastet vom Wandel der Zeit, Beispiel und Ansporn für uns alle.

In tiefer Trauer
für die Familie

Alfried Krupp von Bohlen und Halbach

Die Trauerfeier findet statt am Mittwoch, dem 23. September, um 11 Uhr in Villa
Hügel. Anschließend Beerdigung im engsten Familienkreis. Zur gleichen Zeit
wird die nach Essen übergeführte Urne von Herrn Dr. Gustav von Bohlen und
Halbach beigesetzt.

Am 21. September 1957 verschied im 72. Lebensjahr

Frau
Bertha Krupp von Bohlen und Halbach
geb. Krupp

Die Entschlafene war als älteste Tochter des letzten Namensträgers Jahrzehnte hindurch die Inhaberin unserer Firma. Ihre größte Sorge galt dem sozialen Wohl der großen Krupp-Familie, das ihr zu allen Zeiten am Herzen lag. Besonders in der schweren Notzeit nach dem zweiten Weltkrieg, als das Schicksal der Firma ungewiß war, wirkte sie mit allen Kräften dahin, daß das Sozialwerk im Sinne ihrer Vorfahren erfüllt wurde.

Mit der Familie trauern wir um den Verlust dieser großen Frau, die uns ein beispielhaftes Leben der Pflichterfüllung vorgelebt hat.

FRIED. KRUPP

Jetzt offene Tore für die Negerschüler

Little Rock, 22. September (dpa-AP)

Die Oberschule von Little Rock, die seit Wochen im Mittelpunkt eines neu aufgeflaminten Rassenstreits in den amerikanischen Südstaaten steht, wird am Montag ihre Tore für neun Negerschüler öffnen. Durch eine einstweilige Verfügung des für den Staat Arkansas zuständigen Bundesrichters Davies ist Gouverneur Faubus gezwungen worden, die Nationalgarde zurückzuziehen, die bisher den Negerkindern den Zutritt zur Schule verweigerte.

Der Bürgermeister von Little Rock, Mann, kündigte am Wochenende an, daß die Stadtpolizei den Schutz übernehmen werde. Aufgabe der Polizisten sei es, jeden festzunehmen, der Unruhe stiften will. Die Polizisten würden den Negerschülern den Zutritt zur Schule nicht verweigern.

Präsident Eisenhower sagte in seinem Ferienort Newport, daß die Zurückziehung der Nationalgarde „ein notwendiger Schritt“ sei. „Ich bin zuversichtlich“, so heißt es in seiner Erklärung, „daß die Bürger der Stadt Little Rock und des Staates Arkansas die Gelegenheit begrüßen werden, zu zeigen, daß in ihrer Stadt und in ihrem Staat Anordnungen des Bundesgerichts der USA korrekt und ohne Widerstand ausgeführt werden. Ich bin sicher, daß sie sich jeder Gewaltanwendung durch Extremisten widersetzen werden.“

Gouverneur Faubus war zu der Verhandlung, die mit dem Erlaß der einstweiligen Verfügung endete, trotz gerichtlicher Vorladung nicht erschienen. In einer Fernsehansprache kündigte er an, daß er jede rechtliche Möglichkeit für einen Einspruch gegen die einstweilige Verfügung ausnutzen werde. Solange diese in Kraft sei, werde er sich den Anweisungen des Bundesgerichts fügen. Seinem Stellvertreter habe er jedoch Vollmacht gegeben, die Nationalgarde nach „eigenem Gutdünken“ wieder einzusetzen. Er forderte die Eltern der neun in der Oberschule von Little Rock angemeldeten Negerschüler auf, ihre Kinder am Montag und auch in abschbarer Zeit noch nicht zur Schule zu schicken.

Gomulka verdächtigt Bonn

Warschau, 22. September (dpa)

Der polnische Parteisekretär Gomulka hat am Wochenende erneut die Anerkennung der Oder-Neiße-Linie durch die Bundesrepublik gefordert. Auf einer Parteiversammlung in einem Warschauer Betrieb erklärte er, die in der Bundesrepublik vertretene Ansicht, daß man die gegenwärtige Grenze an Oder und Neiße nicht mit Gewalt ändern wolle, auch wenn man ihr die Anerkennung verweigere, sei nichts anderes, als Polen Sand in die Augen zu streuen. Aus diesem Grunde müsse Polen durch Bündnisse die Verteidigung seiner Westgrenzen sicherstellen. Angesichts der gegenwärtigen Teilung Deutschlands sei Polen jedoch im Interesse der internationalen Entspannung nach wie vor bereit, seine Beziehungen zur Deutschen Bundesrepublik zu normalisieren.

Athen sagt ab

Athen, 22. September (dpa)

Die griechische Antwort auf die Einladung Rumäniens zu einer Balkankonferenz soll am Montag dem rumänischen Botschafter in Athen übergeben werden. Wie verlautet, wird in dem Schreiben an den rumänischen Ministerpräsidenten Stoica der Gedanke einer Konferenz der sechs Balkanstaaten als gegenwärtig nicht zweckmäßig bezeichnet. In der griechischen Antwort, die in einer Sitzung der Regierung unter Vorsitz von Ministerpräsident Karamanlis fertiggestellt worden ist, wird unter anderem auf die noch ungelösten Streitfragen zwischen verschiedenen Balkanstaaten aufmerksam gemacht.

An der Balkankonferenz sollten nach dem rumänischen Vorschlag Griechenland, die Türkei, Jugoslawien, Bulgarien, Albanien und Rumänien teilnehmen.

Regierungskrise vorerst gebannt

Parteipolitiker stimmen Kompromißvorschlag über Algerien zu

Von unserem Korrespondenten

K. Paris, 22. September

Die maßgebenden Parteipolitiker Frankreichs haben durch einen in letzter Minute erzielten Kompromiß über das neue Algerienstatut die akute Gefahr einer Regierungskrise vorerst gebannt und den Weg für die große Algeriendebatte frei gemacht, die Anfang dieser Woche in der Nationalversammlung beginnen soll.

Über den Ausgang der am Montag beginnenden Algeriendebatte in der Nationalversammlung äußern sich politische Beobachter bisher allerdings mit großer Zurückhaltung. Ministerpräsident Bourges-Maunoury, der zum Abschluß die Vertrauensfrage stellen wird, befindet sich in Zeitnot, da diese Parlamentsdiskussion bis zum 30. September abgeschlossen sein muß und mit erheblichen Störungsmanövern der Gegner des neuen Algerienstatuts zu rechnen ist.

Als ein besonders schwacher Punkt des jetzt in Paris erzielten Kompromisses wird der Umstand gewertet, daß gerade der wichtigste Teil des Algerienstatuts, nämlich die genaue Festlegung der Vollmachten eines künftigen algerischen Regierungschefs, erst einmal ausgeklammert und die endgültige Entscheidung über diese vordringliche Frage auf ein bis zwei Jahre hinausgeschoben wurde.

Bourges-Maunoury wollte ursprünglich, daß die ständige Wahrnehmung aller laufenden Regierungsgeschäfte einem jedes Jahr neu von der künftigen algerischen Parlamentsversammlung zu wählenden, hauptverantwortlichen algerischen Minister übertragen wird. Die Rechtsparteien Frankreichs

waren dagegen Sturm gelaufen und warnen vor der Gefahr, daß eine solche algerische Persönlichkeit den nicht annehmbaren Anspruch auf völlige Selbständigkeit Algeriens verletzen und wahrscheinlich auch durchsetzen könnte.

In der gegenwärtigen Fassung bestimmt die vereinbarte Kompromißvorlage, daß Algerien in sechs oder sieben Gebiete aufgeteilt wird, die ihre eigenen gesetzgebenden Versammlungen wählen. Zwei Jahre später sollen diese Versammlungen Vertreter für eine Bundesversammlung in Algerien wählen, die wiederum eine Bundesexekutive einsetzen soll. Außenpolitik, Verteidigung, Justiz und Währung Algeriens sollen nach der Vorlage weiterhin französischer Kontrolle unterstehen. Auch soll ein französischer Ministerresident den Vorsitz im Bundesrat führen, wenn dieser zustande kommt.

Die sehr mühevoll eingetragene Einigung über die neue Fassung des Regierungsentwurfs für das Algerienstatut kam Sonnabend nachmittag nach zweitägigen intensiven Besprechungen zustande, die die prominenten Vertreter aller großen Parteien — die extremen Gruppen der Kommunisten und Poujadisten waren vom Regierungsentwurf ausdrücklich „ausgelassen“ worden — unter größter Geheimhaltung am runden Tisch führten. Ministerpräsident Bourges-Maunoury entschloß sich zu diesem ungewöhnlichen Verfahren, nachdem wochenlang Beratungen des Kabinetts zu keiner Einigung geführt hatten und Verteidigungsminister André Morice als Sprecher der rechtsgerichteten Kreise aus Protest gegen zu große Zugeständnisse mit seinem Rücktritt drohte.

Italien blickt nach Algerien

Regierung berät über Waffenlieferungen nach Tunesien

Von unserem Korrespondenten

F. M. Rom, 22. September

Zwei nordafrikanische Fragen standen am Wochenende im Mittelpunkt der außenpolitischen Erörterungen in Rom: Der innerhalb der französischen Regierung ausgehandelte Algerien-Kompromiß und die Möglichkeit italienischer Waffenlieferungen an Tunesien.

Im Hinblick auf die Pariser Algerienvereinbarung spricht das christlich-demokratische Parteiorgan „Il Popolo“ von einem Triumph der nationalen Rechte: „Die Regierung Bourges-Maunoury ist gerettet, aber auf Kosten der Möglichkeit, eine sichere Voraussetzung für die Befriedung zu schaffen. Dieser recht eindeutigen Stellungnahme gegen die amtliche französische Algerien-Politik steht allerdings ein gewisses Zögern gegenüber, auch vor dem Forum der Vereinten Nationen gegen Frankreich Partei zu ergreifen.“

Die Regierung Zoli hat sich gerade in letzter Zeit immer wieder vorwerfen lassen müssen, sie untergrabe mit ihrer eigenwilligen und unkonsequenten Mittelmeer- und Nahostpolitik die Solidarität der westlichen Welt. Sie sieht

sich also jetzt vor die unangenehme Wahl gestellt, sich entweder durch eine offene Parteinahme gegen Frankreich im Innern neuen Angriffen der „Europäer“ auszusetzen oder durch eine Unterstützung des Pariser Kompromisses in der islamischen Welt jede Glaubwürdigkeit ihrer neuen Mittelmeerpolitik aufs Spiel zu setzen.

Weniger kompliziert liegen die Dinge im Falle Tunesien. Die tunesische Regierung hat Italien um Waffenlieferungen zur Ausrüstung eines Polizeibattillons gebeten, nachdem Paris ein ähnliches Ersuchen abgelehnt hatte. Das Außenministerium erklärte am Wochenende daher, „die tunesische Bitte wird gegenwärtig von der italienischen Regierung geprüft. Diese wird ihren Entscheid unter Berücksichtigung aller Aspekte dieser Frage treffen.“ Besprechungen zwischen Italien und Frankreich und den USA sind im Gange. Wahrscheinlich wird Italien die Waffen liefern, wenn es von der tunesischen Regierung Garantien erhält, daß sie nicht am Ende in die Hände der algerischen Befreiungsgruppen gelangen.

Kühle Reaktion auf Gromykos Rede

Amerikaner lehnen die jüngsten sowjetischen Vorschläge ab

Washington, 22. Sept. (UP/dpa)

Auch die jüngsten sowjetischen Vorschläge zur Abrüstungsfrage haben nach Ansicht amerikanischer Regierungskreise keinen Ausweg aus der Sackgasse gewiesen, in die die Bemühungen um eine Rüstungskontrolle geraten sind. Die Rede des sowjetischen Außenministers Gromyko vor den Vereinten Nationen laufe zwar auf eine kleinere sowjetische Konzeption hinaus, lasse aber Schlüsselfragen unerwähnt, die seit elf Jahren den Abschluß wirksamer Abrüstungsverein-

barungen verhindern. Diplomatische Beobachter vertreten jedoch die Ansicht, daß sich die Vereinigten Staaten ebenso einem auf fünf Jahre befristeten Atomwaffenverbot widersetzen werden, wie sie bisher ein generelles Verbot abgelehnt haben. Zu dieser Haltung trage die Befürchtung bei, die Sowjetunion versuche die USA in eine Situation hineinzumanteln, in der sie keine Kernwaffen anwenden können, während es Moskau unbenommen bleibt, seine an Zahl und konventionellen Waffen überlegenen Streit-

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2001

NAZI WAR CRIMES DISCLOSURE ACT

WASH Post
Wed 9 Oct 57

Krupp Cancels Plan For Visit to U. S.

ESSEN, Germany, Oct. 8 (AP) — Alfred Krupp, head of the famed German industrial family, said today he has canceled his trip to the United States. He had been scheduled to address an international economic conference in San Francisco next week. He said he canceled his trip because of the death of his mother Sept. 21. He said he was still in mourning and his presence was needed to help settle her estate.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

4 22,549/10-1757 015
XX
460,6269

AIR POUCH

CONFIDENTIAL

FOREIGN SERVICE DESPATCH

Desp. No. 262

FROM : U.S. Mission Berlin

October 17, 1957

TO : Department of State, Washington

REF : Mission D-239 October 7 and previous;
Vienna's D-295 October 8

27
Reak
10-21

action
E-5 / U REF 2 RM/A 2 ENR-9 IRC-8 ICA-10
COM-12 TR-3 IN-3 OSD-2 ARM-3 NAV-3
AIR-1

SUBJECT: EXCON: Falsch - Wolff Diversions of Tantalum and Nickel Alloys

Certain references in Falsch's correspondence with Wolff are not identifiable in Berlin. Some of these may, of course, be innocent participants in their transactions, or even concerned with any legitimate trade carried on by these two. If the Department or other posts can suggest who these individuals/firms may be, and/or the location and nature of their operations, it might assist in further tracing of Falsch/Wolff activities. Examples of these unknown parties are:

- WILSON
- POHL (supplier of Schalenbleche)
- D. FALKE (mentioned in Mission D-239 October 7)
- PASTOR (also connected with Schalenbleche)

The name Puos (presumably George de Puos, proprietor of Interglobe and Technical Progress) has been mentioned once or twice in Falsch's letter to Wolff, but his connection, if any, with their operations has not been indicated.

The Mission is reliably informed that on October 2 General Transport, Basel, told Wolff that a shipment identified as "almb 291321 - 1 package tantalum plates, gross wt. 33.5 kg., net 28 kg., from Heins Falsch, Zurich" has been ordered delivered free, that is, without payment of Sw. Fr. 28,512. After its arrival in Basel it will be passed on in accordance with Wolff's instructions of September 9.

On October 5 Falsch reported to Wolff an offer from "Krupp":

- 1) titanium alloy with 6% Al and 1% Va, plates from 3mm thick at DM 220 per kg.
- 2) pure titanium plates, DM 200 per kg.

CONFIDENTIAL

AE Bergesen/rb
Reporter

FOR COORDINATION WITH State

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

DECLASSIFIED
Nazi War Crimes Disclosure Act
PL105-246

By: hmc Date: 11/8/71

CONFIDENTIAL

Page 2
Desp. No. 262
USBER

3) titanium alloy (6% Al, 1% Va) rods, about DM 190 per kg.

Delivery time about six weeks.

Also reported was an offer from Vacuum(schmelze A.G., Hanau/Main) of VACODIL 42 (composition according to local sources, 42% Ni, 58% Fe) as follows:

26 kg.	0.40 x 0.08 mm hard	DM 57./kg.
30 kg.	0.25 x 0.10 mm hard	59./kg.
5 kg.	0.50 x 0.10 mm hard	45./kg.
10 kg.	0.50 x 0.10 mm hard	45./kg.
13 kg.	0.70 x 0.10 mm hard	45./kg.

Delivery in 7-8 weeks.

On October 7 General Transport informed Wolff that they were unable to tell from his instructions whether he wanted consignment VAC 3591/1-5, 81 kg. gross Vacovit 501 wire and rods, sent by air or rail (Contents of this shipment are listed in Mission D-185 September 17, 1957.)

On October 7/Immobilien Bank, Zurich, reported to Wolff the receipt on September 26 of a telegram from the "Eurobank" reading as follows:

"We are today transferring to you telegraphically by the Deutch bank BKM (Bekmarks?) 134,750 favor R. Fleschner, Berlin, reference 2.900.549/9.413." The Immobilien Bank acknowledged the letter of credit from the Deutsche Bank with a note "on account of telegraphic order of September 26 Ref. credit 2.900.549/9.413," which it has credited as of October 2.

Mission Note

It will be recalled that R(ichard) Fleschner and Hans Wolff were responsible for the sale of several new automobiles of U.S. manufacture to the Soviet Union, and were denied U.S. export privileges on April 15, 1957 (case No. 227.) This is the first indication the Mission has observed that Fleschner and Wolff might still be working together.

On October 14 Fölsch wrote to Wolff summarizing the current status of their transactions. "Plansee is a Schweinfurter and there's nothing more for us to do there. In any case, I will take care of the 300 kg. of foil for you and have already figured out another way. I will have another firm buy from Plansee and then sell to me. It will be more expensive but the earnings are always good when it's foil. Give me the order and let us know when you need it."

CONFIDENTIAL

CONFIDENTIAL

Page 3
Desp. No. 262
USBER

Folsch also reports that the last shipment of Vacovit is in Sweden, and he must change forwarders. He plans to assemble the remainder in one shipment, which he'll be able to deliver in two to three weeks.

With regard to T(antalum), the duty is being paid and Folsch has given instructions to despatch the customs receipt. Somehow, the goods will be sent from Sweden. Wolff will receive the material about three weeks later.

Mission Note

With regard to Vienna's question regarding diversion of Plansee molybdenum, positive information is not available here. Mission D-412 October 23, 1956 reported a previous transaction in molybdenum foil between General Transport, Folsch, and Wolff. A copy of this despatch (which does not mention Plansee) is being sent to Vienna for the Embassy's information.

For the Assistant Chief of Mission

Robert M. Brandin
Chief
Economic Affairs Division

cc: Bonn
Paris USRO/ST(2)
Bern
Basel
Zürich
Stockholm
Vienna
Hamburg
Frankfurt (2)

CONFIDENTIAL

Air Pouch
PRIORITY

UNCLASSIFIED
(Security Classification)

DO NOT TYPE IN THIS SPACE

FOREIGN SERVICE DESPATCH

800.05132
10.2

FROM : Amcogen SMO PAULO 154
DISP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

AR 762a.0513

October 29, 1957

REF : CERP Section B-V-C-1 and Section C, Item 12. EUR-5

24	ACTION	DEPT.	
24	ARR-4	ARR-2	REP-2
	REC'D	TRC-3	E-4
		CA-10	
		COM-1	CA-12
		FRB-2	TR-3
			XMB

SUBJECT: Foreign Investments:- São Paulo: Krupp Expanding Brazilian Operations

ARMY-4 TAR-2 IN-7 AG-B
4148122

SUMMARY

Toward the end of 1956, with the arrival of several directors and engineers of the German Krupp organization, a program for the expansion of Krupp's Brazilian operations was initiated. At that time, high-level discussions were held regarding the possibility of Krupp entering the heavy-duty equipment manufacturing field with the production in Brazil of locomotives and heavy-duty trucks.

Early negotiations were largely confidential. It was not until September 25, 1957, when the three top directors of Frederick Krupp A.G.'s Brazilian subsidiary asked São Paulo State Governor Janio Quadros for assistance, that the "Krupp case" became a causa celebre providing a political and economic controversy that has not yet been resolved. This controversy must be considered as part of growing agitation on the part of São Paulo industrial and political circles to publicize a business slowdown and alleged recent discriminatory economic decisions made by the Federal Government (see ComGen Despatch 150). The directors of Krupp requested the governor to use his influence to iron out certain difficulties which were being encountered by the company in attempting to expand its operations. The local press reported that at this meeting the Krupp representatives had stated that the Federal Government appointed commissions were withholding permission for the firm to import machinery under SUMOC's Instruction 113.

Before these statements could be verified, the Krupp case became São Paulo headline material and raised the ire of already touchy Paulistas. In rapid succession (1) the Juandí Municipal Chamber approved a vote of censure against the Federal Government, (2) Santos and Campinas followed suit, (3) the São Paulo Assembly heatedly debated "the sabotage of Krupp," (4) São Paulo newspapers took up the attack in full force, announcing the possible withdrawal of Krupp from Brazil, and (5) upon appeal to the Juandí Commercial Association, the city's business and industrial activities came to a standstill on October 4 to protest the "attitude adopted by the Federal Government."

As sooner had these events occurred than the São Paulo press took up the hue and cry. Editorials blossomed, hitting at the "Federal Government's discrimination against São Paulo" and calling for "defense measures."

The Federal Government, stung by the criticism, arose to the defense. Federal Minister of Transport Inácio Meira declared that (1) the Federal Government had not

Commission Report

UNCLASSIFIED

INFORMATION COPY

Retain in divisional files or destroy in accordance with security regulations.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE/METHOD/EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

FOR COORDINATION WITH State

DECLASSIFIED
for Crimes Disclosure Act
PL 105-246

11817

UNCLASSIFIED
(Classification)

Page 2 of
Encl. No. 154
Disp. No.
From São Paulo

rejected Krupp's projects. (2) Krupp had presented no detailed production program to the Federal Government. (3) the Government had not concluded studies with respect to the manufacture of locomotives, and (4) that Krupp's manufacturing program for heavy-duty trucks was still under study.

These strong statements by the Federal Government apparently had the desired effect. Within a matter of days the São Paulo press slackened its attacks, and several editorials defending the Federal Government's position suggested that perhaps Krupp had overplayed its hand.

The Krupp controversy can be largely laid to Paulista over-exuberance, growing evidence of a business slowdown, and growing controversy between the São Paulo business community and Federal Government economic policy.

The Federal Government quite clearly had valid reasons for carefully scrutinizing Krupp's broad and complicated expansion program. The Consulate General believes that some manufacturing plant at Campo Limpe near Jundiaí in the state of São Paulo will eventually be approved. Krupp's production of heavy transportation equipment, particularly heavy duty trucks, could have an unsettling effect on the future Brazilian truck market.

BACKGROUND

Although Krupp products were imported into Brazil as far back as 1898, it was only in October of 1952 that the German firm's local representatives, Importadora e Exportadora Brasileira MOT, S.A., were made a Krupp subsidiary and changed their name to Industria Nacional de Locomotivas (INL), Ltda., with an authorized capital of Cr\$10 million.

Krupp had shown an interest in manufacturing locomotives in Brazil as early as 1951 when it presented to the Brazilian Council for Economic Development a project for the construction of locomotives. For several reasons, including bureaucratic delay, inactivity on the part of Krupp, changes in the Federal and São Paulo State Governments, and the waning influence of the Council of Economic Development, the project was effectively shelved until 1956.

During that year two events occurred which gave new impetus to Krupp plans in Brazil. In the first instance, the São Paulo State Government became aware of the fact that Belo Horizonte in the state of Minas Gerais was Krupp's choice for the location of its new production facilities. It immediately made INL an advantageous offer to locate in São Paulo. It offered land and buildings with an estimated value of Cr\$21.5 million for only Cr\$12 million.¹⁾ The offer stipulated that in the event that Krupp was not manufacturing locomotives within a period of five years, the land and buildings would revert to the state and the Cr\$12 million would be returned. INL immediately accepted the offer, and the sale was duly registered on September 10, 1956.

¹⁾ The property, formerly belonging to the Coffee Institute, is at Campo Limpe near the city of Jundiaí and includes a siding of the Santos-Jundiaí railway.

UNCLASSIFIED

UNCLASSIFIED

(Classification)

Page 3 of
Encl. No. 154
Dep. No. São Paulo
From

The second event which gave impetus to Krupp's new production program was President Kubitschek's visit to Germany in 1956. He visited the Krupp factory at Essen and informed Krupp's president, Mr. von Bohlen und Halback, that the company's plans in Brazil would probably receive the Federal Government's favorable consideration.

In November, 1956, Mr. von Bohlen und Halback visited Brazil, had important talks with President Kubitschek and Governor Quadros, and expressed the hope that the Company's expansion plans would now be given favorable consideration by the governments of Brazil and the State of São Paulo.

A revitalized Council for Economic Development, presided over by Federal Minister of Transport Lucio Meira, was appointed to study the use of diesel locomotives by the Brazilian railways. On January 23, 1957, the Council received INL's new project for the manufacture of Krupp locomotives in Brazil. In this locomotive program, for the first time, brief mention was made of the company's intent to also produce heavy-duty trucks. Toward the end of April, a detailed production program for the manufacture of 18-ton, heavy-duty trucks was presented to the Executive Group of the Automobile Industry (GEIA) for study and approval. It was particularly interesting to note that both programs detailed Krupp's capital position and plans for the future.

Brazil's Krupp subsidiary, originally capitalized at Cr\$10 million, increased capitalization to Cr\$30 million in 1956. Brazilian participation is concentrated in the following principal stockholders: The V. Vellesse Borges group (a powerful textiles concern), the Cia. Taubaté Industrial, the Banco Aliança de Rio de Janeiro (allied to Deutsch-Südamerikanische Bank of Hamburg), and Messrs. Rudolf Krauss and Schluchtmann (INL's managing directors).

On July 23, 1957, a further report to the Council of Development indicated that Krupp intended to invest \$4 million and 17 million West marks in cash, as well as \$7 million and 28.5 million West marks in machinery and equipment. The sources²⁾ for much of the information contained in this despatch have indicated to the reporting officer that the parent company had also declared itself willing to forego remittance of profits for an indefinite period, reinvesting in the Brazilian operation.

While the programs of Krupp are at present quite confusing, the president of the company did outline his company's projects to the press, and it can be safely assumed that these remain basically unchanged. If the program is approved by the Federal Government, INL will begin with the production of 16 to 18-ton, heavy-duty trucks and the manufacture of steam, diesel, and/or electric locomotives. Initial output has been fixed at 50 units annually with production gradually increasing to an annual rate of 100 units by 1962. What is not generally known is the fact that the over-all Krupp program also foresees the manufacture of heavy-duty cranes, deck equipment, and mining machinery, as well as the construction of a cement factory. Associated plans foresee the production, with the firm of Heinrich Lenz of Mannheim, Germany, of bulldozers, tractors, and agricultural machinery.

²⁾Members of the local Krupp organization and the German Consulate General

UNCLASSIFIED

UNCLASSIFIED

(Classification)

Page 4 of
Encl. No. _____
Disp. No. 154
From Sao Paulo

In view of the complexity of the company's program, it is understandable that the Federal Government has shown some reluctance to giving a blanket approval to Krupp's Brazilian expansion plans. Both the locomotive manufacturing program and the heavy-duty truck manufacturing program have recently been severely criticized by the Federal Government.

As regards the locomotive program, Transport Minister Lucio Meira has stated that IHL has not presented a detailed locomotive manufacturing program, but has only indicated "an intent to manufacture." He claims that this "intent" was presented to the Council for Development in a ten-page document which was, in his opinion, barely an outline of IHL's basic locomotive manufacturing program. The doctrine stated that by 1960, 70 percent of the locomotive's content by weight and 50 percent by value would be of national production. Minister Meira goes on to say that this document does not even specify what type of locomotive IHL intends to manufacture. He further stated that IHL claims that the company had made arrangements with General Electric to manufacture the locomotive's electrical equipment and with Ceoper-Bessemer to produce the diesel engines. Minister Meira added that the Council for Development has ascertained that neither General Electric nor Ceoper-Bessemer has signed any such agreement with either Krupp or IHL.

The Consulate General believes that perhaps what most irritated the Federal Government was a series of what Minister Meira called "demands" made by IHL directors. The two principal "demands," as best as can be ascertained, were that (1) the Federal Government should guarantee IHL a firm order for 250 locomotives based on an annual anticipated output of 50 units and that (2) the Federal Government should guarantee IHL priority in the supply of locomotives to the exclusion of competition. The Council for Development, in the reporting officer's opinion, would not and could not approve a locomotive manufacturing program dependent on these conditions. It has been ascertained that there is some doubt as to whether Brazil can absorb the proposed output. To be sure, some 165 locomotives were imported in 1957, and it is understood that 50 more units are on order with General Electric. These purchases, however, were in connection with a major railway overhaul and replacement program, and it is quite doubtful if in the future the Brazilian railway system could absorb 50 to 100 new locomotives annually.

In contrast with the locomotive program, the heavy-duty truck program presented by IHL to the GEIA is very detailed. It ignores, however, federal decree 39412 of June 16, 1956, which restricts axle weight to 8 tons. Krupp's trucks weigh in the neighborhood of 10.6 tons per axle. An interesting development along these lines, however, is that early in October President Kubitschak appointed a commission to study the pros and cons of manufacturing heavy-duty trucks in Brazil. This commission, which was composed of representatives of the National Highway Department, the National Council of Transportation, the Association of the Motor Vehicle Industry, and the GEIA, has now recommended the manufacture of trucks weighing up to 10 tons per axle. As Krupp's vehicles could readily conform to this axle weight, it is quite possible that if the recommendations are approved by President Kubitschak, GEIA will in turn approve Krupp's heavy-duty truck production plan.³⁾

³⁾ Other programs for the manufacture of heavy-duty trucks presented to GEIA and not yet approved include Venag's Scania-Vabis, Mercedes' 16 tonner, Bergvard's 18 tonner, International, and Res.

UNCLASSIFIED

UNCLASSIFIED

(Classification)

Page 5 of
Encl. No. 154
Disp. No. São Paulo
From

Although the São Paulo press has toned down its attacks, resentment against what the Paulista calls "Federal discrimination against the state of São Paulo" is still strong. The bitterest attack against the Federal Government was perhaps the petition presented to the Juiz de Fora Municipal Chamber, which contended that President Kubitschek and self-interested political and industrial groups deliberately blocked the expansion of Krupp in the São Paulo area. The note also accuses President Kubitschek of championing his native state of Minas Gerais vis-à-vis São Paulo to the detriment of Brazil's over-all economic development.

The Santos and Campinas Municipal Chambers, backstepping the action taken by Juiz de Fora, sent telegrams to President Kubitschek, the Minister of Finance, the President of the Bank of Brazil, and the president of the Chamber of Deputies protesting "federal interference in São Paulo's industrial development." In the Federal Chamber of Deputies in Rio de Janeiro, São Paulo Federal Deputy Herbert Levy attacked what he called "the Federal Government's deliberate sabotage of Krupp's plans for São Paulo." The São Paulo Legislative Assembly itself held stormy debates concerning Federal Government policy. These debates were headlined by São Paulo newspapers.

COMMENT

The whole controversy, this office believes, has been highly exaggerated and the usual "Paulista spirit." Nevertheless, it is important to note that while the Federal Government normally welcomes responsible foreign capital, it is always wary of capital that tries in any way to influence, change, or to put pressure on the formulation of Brazilian economic policy. Power tactics and repeated threats to move to Argentina only served in this case to antagonize already touchy statesmen in Rio de Janeiro.

The natural tendency to play one foreign company against another was evident throughout the controversy. International General Electric Company, since the war Brazil's major supplier of electric and diesel locomotives, was often mentioned as a powerful and somewhat sinister force behind the scenes. For two weeks there have been cautious press notices that another well-known foreign company is interested in manufacturing diesel and steam locomotives in Brazil. According to a recent statement from GEIA itself, a French company (probably BERLIET) has also presented a program to produce heavy-duty trucks - "Its program will be duly studied and compared with Krupp's."

The reporting officer believes that while the over-all Krupp program contained confusing and unrealistic inconsistencies and was poorly presented at an earlier time, the Federal Government will eventually approve manufacture at Campo Limpo. Any national reporting on the motor vehicle industry cannot at this time completely discount Krupp as a probable important future supplier of heavy-duty trucks to the Brazilian market. While heavy-duty trucks are not part of the present Mercedes-Benz, General Motors, Ford, and Willys progressive manufacturing programs, Krupp will probably offer strong direct and indirect competition to these still fledgling undertakings.

Richard P. Butrick

Richard P. Butrick
Consul General

cc to Rio *[Handwritten initials]*

UNCLASSIFIED

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2001

NAZI WAR CRIMES DISCLOSURE ACT

Konzentration bei Krupp

Düsseldorf, 18. Dezember (VWD)

Der Hohen Behörde der Montanunion in Luxemburg liegt zurzeit ein Antrag der Hütten- und Bergwerke Rheinhausen AG, Rheinhausen (Kapital 75 Mill. DM), auf Erwerb der im Besitz der Wegal Vermögensverwaltung GmbH, Köln, befindlichen Aktienmehrheit des Bochumer Verein für Gußstahlfabrikation AG (Kapital 69 Mill. DM) vor. Die Wegal ist Eigentum des schwedischen Industriellen Axel Wenner-Gren. Gleichzeitig läuft noch der Antrag des Bochumer Vereins auf Erwerb der Aktienmehrheit der Bergbau-AG Constantin der Große, Bochum (Kapital 37,6 Mill. D-Mark), deren Sperrminorität bei Rheinhausen liegt. Einziger Aktionär von Rheinhausen ist Alfried Krupp von Bohlen und Halbach, doch steht dieser Besitz unter Verkaufsaufgabe. Bei Rheinhausen würde also eine stärkere Konzentration der Stahl- und Kohleinteressen des Krupp-Bereichs erfolgen.

Sie Weir
19 Dec 57.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

Extract from: EGFA-19244
26 Nov 1957

Re: George S. DOWSHALL's Activiti

File: CAPSULA

2. CAPSULA. Dowshall clarified the crisis in his personal relations with Identity 1 which led to his resignation by explaining that [] had told him that Identity 1 had complained to [] that Dowshall had not played any substantial part in securing the spate of generally favorable publicity for Identity 2 or, apparently, in working out the U.S. visa problem. This was short before Dowshall was due to leave for the international conference in the U. S. which Identity 1 was to attend in place of Identity 2 and Identity 1, who did not want Dowshall to be present at the conference, asked [] as Dowshall's only other client, to join with him in instructing Dowshall not to make the trip as the representative of either. Dowshall, who had just landed the Identity 3 account and had promised to render services at and after the conference to Identity 4, replied to this by explaining that he did, as a matter of fact, have other clients and would be making the trip in any case in their behalf. (This gesture of defiance was expensive, since Dowshall actually made the trip at his own expense.) His blunt letter to Identity 1 and his wife's subsequent report to him (from []) of Identity 1's reaction to it and his general view of the value of Dowshall's services then decided Dowshall to forestall his probable early dismissal by submitting his resignation.

3. Identity 5, whom Dowshall saw in the U. S. during his trip, expressed his personal belief, in commenting on Identity 1's dominating influence over Identity 2, that this rests in some sort of homosexual relationship. Identity 5 did not offer any evidence to support this opinion.

4. Identity 1's opinion to the contrary notwithstanding, there is no doubt that the favorable U. S. publicity which Identity 2 has received during the past two years is directly attributable to Dowshall's efforts.

[]

Identity 1: Berthold BEITZ
Identity 2: Alfried KRUPP
Identity 3: Fr. FLICK
Identity 4: Herbert LIESENFELD
Identity 5: Carmel OFFIE

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

Winfred CBA

NAZI WAR CRIMES DISCLOSURE ACT

INCOMING TELEGRAM *Department of State*

53
Action
EUR
Info
RMR
SS
G
SP
C
W
L
INR
UOP
UMSA
E
IRC
DCL
ICA
OCB
CIA
OSD
ARMY
AIR
NAVY

LIMITED OFFICIAL USE

Control: 4696
Rec'd: JANUARY 9, 1958
6:47 PM

FROM: BONN
TO: Secretary of State
NO: 2108, JANUARY 9, 9 PM

REF: DEPARTMENT 1702 TO BONN, DEC. 26, 1957, RPTD LUXCO 81
INFO LONDON, PARIS UNN

BRITISH EMBASSY OFFICER CALLED ON MOTZ, GERMAN FOREIGN OFFICE,
JAN # TO REQUEST INFORMATION RE STATUS AHC LAW 27 PROGRESS
REPORT. MOTZ REPLIED SECTION OF REPORT ON KRUPP ENTERPRISES
IS ESSENTIALLY COMPLETE AND WAS REQUESTD TO TRANSMIT COPY OF IT.
NO AIDE MEMOIRE WAS LEFT BY BRITISH OFFICER WITH FOREIGN OFFICE.

ON DEC # WE AND BRITISH AGREED TO TIME OUR APPROACH TO MOTZ
AFTER BRITISH CALL. CONSEQUENTLY, EMBASSY OFFICER CALLED ON
MOTZ JANUARY 8 AND RECEIVED ESSENTIALLY SAME INFORMATION.
IN ADDITION, MOTZ MADE FOLLOWING COMMENTS:

1. THYSSEN INTERESTS HAVE NOT SUBMITTED DATA, STATING THAT
FEDERAL GOVERNMENT HAS NO LEGAL RIGHT TO SUCH DATA. MOTZ
BELIEVES ATTITUDE STEMS FROM RUMORED OWNERSHIP CHANGES WITHIN
THYSSEN ENTERPRISES AND RELUCTANCE MAKE AVAILABLE DATA WHICH
MIGHT BE RELEASED TO PUBLIC OR COMPETITORS, RATHER THAN FROM
DOUBTS REGARDING COMPETENCE FEDERAL GOVERNMENT.

2. MOTZ UNDERSTANDS KRUPP IS PREPARING EXTENSION APPLICATION
FOR SUBMITTAL FEDERAL GOVERNMENT IN LATE JANUARY, PURSUANT TO
CHAPTER ONE, ARTICLE 10, SETTLEMENT CONVENTION. MOTZ HOPES TO
SEND REPORT ON KRUPP IN ABOUT TWO WEEKS. WHEN RECEIVED, WE
SHALL TRANSMIT REPORT TO DEPT.

ASSUMPTION STATED COLUX 98, REPEATED INFO BONN 58, THAT ALLIES
WOULD NOT DISCUSS APPROACH TO HA OF CSC WITH GERMANS WAS CORRECT.
NEVERTHELESS, MOTZ INDEPENDENTLY ASKED WHETHER WE HAD EVER
CONSIDERED POSSIBILITY REQUESTING HA MAKE STATEMENT ON
HYPOTHETICAL QUESTION WHICH COULD BE USED AS BASIS FOR WAIVING

LIMITED OFFICIAL USE

UNLESS UNCLASSIFIED
REPRODUCTION FROM
COPY IS PROHIBITED.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHODS EXEMPTION 3828
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

*W-5
for NEU PP*

LIMITED OFFICIAL USE

-2- 2108, JANUARY 9, 9 PM, FROM BONN

COMPLETION OUTSTANDING AHC LAW 27 OBLIGATIONS, WE MADE NON-COMMITAL REPLY, TO WHICH MOTZ COMMENTED THAT HE HAD NOT THOUGHT THROUGH SUCH APPROACH IN VIEW OF LIKELY HA RELUCTANCE TO CONSIDER ANY HYPOTHETICAL QUESTION.

BRITISH AND FRENCH ASSURED US AFTER MEETING THAT THEY HAD NEVER DISCUSSED APPROACH TO HA WITH GERMAN FOREIGN OFFICE.

BRUCE

FNM-21

(#) OMISSION. WILL BE SERVICED UPON REQUEST.

LIMITED OFFICIAL USE

NAZI WAR CRIMES DISCLOSURE ACT

SECRET/NOFORN

EGF-2865

SUBJECT - DGB INTERNAL DISCUSSIONS

SOURCE []

3. ON 3 MARCH 1958, THE DGB EXECUTIVE COMMITTEE HAD AN INTERNAL DEBATE ON THE QUESTION OF WHETHER THE ORGANIZATION SHOULD PUBLICLY DEMAND THAT THE CONDITIONS OF THE ALLIED DECARTELIZATION LAW BE CARRIED OUT BY THE KRUPP WORKS. MOST OF THE DGB LEADERS AND FUNCTIONARIES APPEAR TO FAVOR A PUBLIC STAND BY THE ORGANIZATION, BUT OTHERS FEAR THAT SUCH A STAND AT THIS TIME WOULD NOT BE POPULAR WITH THE GERMAN POPULATION, WHICH PROBABLY FEELS THAT THE ENFORCEMENT OF ANY ALLIED RULING OF THE IMMEDIATE POST-WAR PERIOD IS BEST FORGOTTEN. THOSE IN FAVOR OF A POSITIVE STAND ARE DISCOURAGED BY WHAT THEY CONSIDER THE LACK OF INTEREST ON THE PART OF THE UNITED STATES. THEY ARGUE, HOWEVER, THAT MANY GERMANS AS WELL AS MOST ~~XXX~~ ALLIED NATIONS WOULD APPROVE AND CITE THE ADVERSE REACTION IN AUSTRALIA TO ALFRED KRUPP'S PROJECTED VISIT. THEY CONTEND THAT GERMANY PROMISED TO OBSERVE ALLIED REGULATIONS WHEN THE FEDERAL REPUBLIC WAS ESTABLISHED AND MUST HONOR SUCH AGREEMENTS IF SHE EXPECTS TO TAKE HER PROPER PLACE IN THE COMMUNITY OF FREE NATIONS. A FURTHER ARGUMENT IS THAT IF THE DGB CAN WIN THE KRUPP CASE IT WILL BE ABLE TO FORCE THE WEST GERMAN GOVERNMENT TO TAKE SIMILAR STEPS AGAINST OTHER LARGE INDUSTRIAL COMPLEXES WHICH HAVE EVADED THE STRICT REQUIREMENTS OF THE ALLIED DECARTELIZATION LAW. WHETHER THESE ARGUMENTS WILL BE MADE PUBLIC IS NOT CLEAR, SINCE THE DGB EXECUTIVE COMMITTEE IS STILL DIVIDED WITHIN ITSELF. THE ISSUE IS EXPECTED TO BE RAISED AGAIN AT FUTURE EXECUTIVE COMMITTEE MEETINGS.

2. FIELD COMMENT - KRUPP WAS GIVEN UNTIL SOME TIME DURING 1958 TO ACCOMPLISH DECENTRALIZATION AND SEALING OFF OF PART OF HIS STEEL-PRODUCING ENTERPRISES.

SECRET/NOFORN

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

3 Dec 58

W-6

KRUPP REPRESENTATIVE IN POLAND--The Krupp Corporation announced in Essen on Mar. 3 that the managing representative of Alfred Krupp von Bohlen und Halbach, Berthold Beitz, left on Feb. 10 for Poland, accepting an invitation of the Polish Government. He had discussions with Polish ministers and other high government officials, the contents of which were not revealed by the firm. Beitz was received by Foreign Minister Rapacki and Foreign-Trade Minister Traspaczynski. According to the Krupp announcement, the Polish Government invited Beitz in order to thank him for his attitude during the war and the aid he gave to his Polish coworkers in difficult situations. During the war, Beitz had for three years been a director of a raw-oil factory in Poland. (Hansburg, DPA, Mar. 3, 1958, L104 GMT-G)

65

POLISH ORDERS--Reports from Bonn in connection with the recent visit to Warsaw by Krupp director Berthold Beitz claimed that Krupp intends to supply Poland with a cement plant, a nitrogen plant, a factory for synthetic fibers, and the equipment needed for the enlargement of the Nova Huta rolling mill. Answering an inquiry by **NEUE RHEIN-ZEITUNG**, the Krupp management has now stated that it is not yet known whether these projects and the deliveries involved, as wanted by the Poles, can be carried out. Committees have been appointed to study the projects. (Duesseldorf, **NEUE RHEIN-ZEITUNG**, Mar. 5, 1958-G)

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE/METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

Mar 1958

Air Pouch
PRIORITY

OFFICIAL USE ONLY
(Security Classification)

DO NOT TYPE IN THIS SPACE

FOREIGN SERVICE DESPATCH

FROM : AMCONGEN, DUESSELDORF 152
TO : THE DEPARTMENT OF STATE, WASHINGTON.
REF : -----

Berthold
Withing
March 3, 1958
DATE

For Dept. Use Only	ACTION	DEPT.
REC'D 3/10	9	IN OTHER 0

SUBJECT: Berthold Beitz, Krupp General Manager, Visits Poland.

The visit of Berthold BEITZ, General Manager of the Krupp empire, to Poland, in February, to tour industrial establishments and to carry on discussions with Polish officials, including Foreign Minister RAPACKI, was announced by the Krupp Public Relations Department on March 3, 1958. The official announcement, which added no details beyond those presented above, was apparently evoked by an editorial appearing in the March 1/2, 1958 edition of Der Mittag, the first known press break on the story.

The editorial reads as follows:

"Krupp and Poland.

While Alfred Krupp is being received with very varied receptions in Australia, his deputy, BEITZ, visited the Polish Foreign Minister RAPACKI. The Federal Government has nothing to do with this, we are told from Bonn. There remains the question to be answered, what subjects Beitz dealt with in a "lengthy discussion" with Rapacki, who is the Foreign Minister and not Minister for Economics. The idea of better economic relations with Poland is nothing unusual. German goods are certainly very much desired in Poland and other East Bloc countries. We could also imagine that Poland would pay for them with coal from Upper Silesia. The distance from Upper Silesia to West Berlin, for instance, is no greater than that from the Ruhr. But what has Rapacki, a man who is not only Foreign Minister but also the father of the Rapacki plan, to do with it? To begin with we would assume that the firm of Krupp and Rapacki have not talked about foreign policy, i.e. about an atom-free zone. Should this have been the case, it would appear to us not only stupid but also useless. Should on the other hand, as we assume, the subject of the discussions have been trade relations between the two countries, then the approach to the Foreign Minister can only mean that the extent of planned contracts exceeds the scope of the normal exchange of payments and that trade agreements and loans are being planned for this purpose. That again would be more than what is usual and would therefore be very interesting. Although we are assured that the Federal Government has nothing to do with this, we

OFFICIAL USE ONLY

A. Stalder/isp
REPORTER

INFORMATION COPY

Retain in divisional files or destroy in accordance with security regulations.

3 Mar 58

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHODS EXEMPTION 3B2P
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008
COORDINATION WITH State

DECLASSIFIED
Nazi War Crimes Disclosure Act
PL105-246

Page 2 of
Desp. No. 152
From. AmConGen, Dusseldorf

OFFICIAL USE ONLY
(Classification)

Page of
Encl. No.
Desp. No.
From

could imagine that it would be very interested in closer trade relations with Poland as a substitute for diplomatic relations which at this moment would be hard to establish. By the nature of such things direct political effects are not to be expected. One might, however, consider whether this would not decrease tension between Germany and Poland, a fact that might serve a general improvement of relations between East and West by eliminating the harshness of controversies."



Raymond P. Ludden
American Consul General

Distribution:

- 5 POL, Amembassy, Bonn
- 2 Files and Records, Amembassy, Bonn
- 1 OCA, Amembassy, Bonn
- 2 OCA, Amcongen, Frankfurt
- 1 each, Amcongen: Bremen, Hamburg, Frankfurt, Stuttgart and Munich
- 1 US Mission, Berlin.

OFFICIAL USE ONLY

DECLASSIFIED
Nazi War Crimes Disclosure Act
PL105-246

By *hmc* Date *1/18*

AIR FORCE
Priority
FOREIGN SERVICE DESPATCH
DECLASSIFIED
(Security Classification)
DO NOT TYPE IN THIS SPACE
053/3-35
154
March 3, 1950
4012501

FROM : **Aachen, DUISBURG, GERMANY**
TO : THE DEPARTMENT OF STATE, WASHINGTON.
REF : **The 1957 OEP for Germany, Item D-VII-A-6**
ACTION: **REC'D 3/12**
DVT: **AM/R-2, I.C.U.T. E-4, I.C.A-10**
REC'D: **3/12**
OTHER: **OIA-2, OSM-10, FNS-2, TR-3**
SUBJECT: **Krupp Reorganization.**

Organizational changes in the firm of Friedrich KRUPP, Essen, are outlined in a recent issue of the **KRUPP Journal**, house organ of the huge concern. The changes were actually effected when they were incorporated into the firm's organization handbook, effective January 1, 1950. The handbook is a Krupp tradition dating back to 1872, when the first handbook was issued by the grandfathers of the present owner, **Alfried KRUPP VON BUELZ UND HALSTADT**.

The changes appear to be designed primarily to relieve the top management of the company of any direct responsibility for the direction of commercial operations in order to allow them to concentrate entirely on policy matters and long-range planning.

The top executive board will now direct 20 of the 100-odd companies belonging to the Krupp interests. The remaining organizations will be controlled by these first 20 companies. The executive boards of the 20 companies are now empowered to control the subordinate enterprises directly, a feature of the plan which is expected to put a greater premium on initiative.

The new table of organization lists **Alfried Krupp von Buelzen und Halstade** at the top of the organization as owner, with **Berthold KRUPP** as his fully empowered agent. Under these are the members of the top management board are listed as: **Dr. Hermann ROEDIGER** (administration), **Dr. Hans ELLING** (technical operations), **Paul ELLING** (sales), **Johannes SCHROEDER** (Finance), and **Dr. Paul BARNER** (Security matters).

The enclosure to this despatch is a list of the 20 controlling companies and the remaining Krupp-owned enterprises which are subordinated to these in the new scheme.

Richard P. Jordan
Richard P. Jordan
American Consul General

Attribution:

CARL SCHMIDT (Security) / *JP*
DECLASSIFIED
INFORMATION COPY
3 Mar 50
DECLASSIFIED AND RELEASED BY THE NATIONAL ARCHIVES TO THE NATIONAL SECURITY AGENCY
CENTRAL INTELLIGENCE AGENCY
SOURCE: METHUEN EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008
FOR COORDINATION WITH *State*

Page 2 of
Disp. No. 154
From: Amsengen DESB

UNCLASSIFIED
(Classification)

Page _____ of
Encl. No. _____
Disp. No. _____
From _____

Distribution:

Keen/CA, Ambassador, Bonn	(5)
CGG, " "	(1)
Files & Records, " "	(2)
ECSC, Luxembourg	(1)
USRO, Ambassador, Paris	(1)
Amsengen: Bremen	(1)
Frankfurt/M	(1)
Hamburg	(1)
Munich	(1)
Stuttgart	(1)
US Mission, Berlin	(1)

Enclosure:
Constituent companies of the
Firm of Friedrich Krupp, Essen.

UNCLASSIFIED

Page
Disp. No.
From

UNCLASSIFIED.

To
Encl. No. 1
Disp. No. 154
From Duesselorf

Enclosure No. 1

Constituent Companies of the Firm of Friedrich KRUPP,
Essen.

The controlling companies of the KRUPP concern are: Fried. Krupp Rohstoffe; Fried. Krupp Schmelze und Giesserei; Fried. Krupp Widia-Fabrik; Fried. Krupp Industriebau; Fried. Krupp Maschinenfabriken Essen (all in Essen); Fried. Krupp Maschinen- und Stahlbau Rheinhausen, Rheinhausen; Fried. Krupp Eisen- und Stahlhandel, Essen; Fried. Krupp Baubetriebe, Essen; Fried. Krupp Konsum-Anstalt, Essen; Fried. Krupp Gemeinschaftsbetriebe, Essen; Badische Wolframs-Gesellschaft mbH., Soellingen; Fried. Krupp Motoren- und Kraftwagenfabr. GmbH., Essen; "Weser" Flugzeugbau GmbH., Bremen; Harburger Eisen- und Bronzwerke AG., Hamburg-Harburg; Krupp-Ardelt GmbH., Wilhelmshaven; Dolberg-Ulaser & Pflaum GmbH., Essen; Krupp Reederei und Kohlenhandel GmbH., Essen; Krupp Kohlechemie GmbH., Wanne-Eickel; Aktien-Gesellschaft "Weser", Bremen; Bd. Blumenfeld GmbH., Hamburg; and Kleinwohnungsbau Krupp Gemeinnützige mbH., Essen.

The rest of the Krupp enterprises, all of which are subordinated to the above listed main companies, are: Minas Rohstoffgesellschaft mbH., Essen; Sieg-Lahn Bergbau GmbH., Essen; Kruffer Tonbergbau und Steinindustrie GmbH., Kruft (Rhld.); Krupp-Seeschiffahrt GmbH., Bremen; Panopa-Industrie-Expedition-GmbH Essen; SA Hellenique Metallurgique et Minière, Athen; Hansa-Rohstoffverwertung GmbH., Duesseldorf; Hansa-Schrotterverwertung GmbH., Essen; Hansa-Wohnungsbau GmbH. Mannheim; Rheinische Kalksteinwerke GmbH., Wuelfrath; August Zimmermann GmbH., Wuelfrath; Graphitwerk Kropfmuhl AG., Muenchen; Minenforschungs- und Studiengesellschaft mbH., Ankara; Ferrus Investments Ltd., Montreal - Brune & Kappesser GmbH., Essen; Essener Schweiss-Elektroden-Werk GmbH., Essen - Metruit AG., Zuerich; Sofamet SA, Paris; Sicometal SA, Paris; Sintur AG., Biel - Indien-Gemeinschaft Krupp-Demag GmbH., Duisburg - Fried. Krupp Maschinenfabriken Essen, Werksgruppe I, Essen; Fried. Krupp Maschinenfabriken, Essen, Werksgruppe II, Essen; Fried. Krupp Dieselmotoren GmbH., Essen - Fried. Krupp Stahlbau Hannover, Hannover; Fried. Krupp Stahlbau Altbach, Altbach; Fried. Krupp Stahlbau Goddolan, Goddolan; Montex GmbH fuer Stahlbauanlagen und Fabrikinrichtungen, Essen; Ardelt Industries of Canada, Kitchener (Ontario); Brauneck-Bergbahn GmbH., Lengries - Krupp Eisenhandel GmbH., Duisburg; Krupp Eisenhandel Frankfurt GmbH., Frankfurt; Krupp Eisenhandel Muenchen GmbH., Muenchen; Krupp Eisenhandel Stuttgart GmbH., Stuttgart; Georg von Opelln GmbH., Hannover; Krupp-Druckmaschinen GmbH., Berlin-Tempelhof; Schellhase & Druckmaschinen GmbH., Bremen; Eschling & Schermann GmbH., Bremen; Lersch & Seippel GmbH., Hamburg; Ziegler-Albin GmbH., Remscheid; Krupp Eisenhandel Freiburg GmbH., Freiburg i. B.; Krupp Eisenhandel GmbH., Duesseldorf; Aloversee Handelsgesellschaft mbH., Duesseldorf; Krupp-Indien Handelsgesellschaft mbH., Essen.

Bodendorfer Thermal-Sprudel GmbH., Bodendorf (Ahr); Nahrungsmittelwerk Serkenrode GmbH., Serkenrode - Fried. Krupp Krankenanstalten, Essen; Fried. Krupp Grafische Anstalt, Essen; Fried. Krupp Hugelgaertnerei, Essen; Fried. Krupp Lehrwerkstatt, Essen und Fried. Krupp Verwaltung Meppen, Meppen/Ess.

Krupp.....

UNCLASSIFIED.

Page
Date
From

UNCLASSIFIED

2
154
Duesend dorf

Krupp Kraftfahrzeuge Busen GmbH., Essen; Krupp Kraftfahrzeuge Hannover GmbH., Hannover; Krupp Kraftfahrzeuge Hildesfeld GmbH., Hildesfeld; Krupp Kraftfahrzeuge Kassel GmbH., Kassel; Krupp Kraftfahrzeuge Bremen GmbH., Bremen; Krupp Kraftfahrzeuge Hamburg GmbH., Hamburg; Krupp Kraftfahrzeuge Koeln GmbH., Koeln; Krupp Kraftfahrzeuge Frankfurt GmbH., Frankfurt; Krupp Kraftfahrzeuge Karlsruhe GmbH., Karlsruhe; Krupp Kraftfahrzeuge Stuttgart GmbH., Stuttgart; Krupp Kraftfahrzeuge Muenchen GmbH., Muenchen; Krupp Kraftfahrzeuge Nuernberg GmbH., Nuernberg; Krupp Kraftfahrzeuge Berlin GmbH., Berlin; Auto Canton Bruxelles SA., Brussel; Motorenwerk Varol GmbH., Varol i. O.; "Wegor" Wohnstaetten GmbH., Nordenham-Burwarden; "Wegor-Fuersorge" GmbH., Bremen; Flugzeugbau Nord GmbH., Hamburg.

Krupp-Ardelt Verkaufsgesellschaft mbH., Essen - Maschinenfabrik Futura GmbH., Wuppertal-Elberfeld - Constantin Handelsgesellschaft mbH., Bochum; Stachelhaus & Buchloh GmbH., Duisburg-Ruhrort; Rhein-Weser Transportgesellschaft mbH., Bremen; Ruhrorter Schiffs-Werft und Maschinenfabrik GmbH., Duisburg-Ruhrort; "Wisco" Westdeutsches Industrie- u. Schiffsbedarfs-Kontor GmbH., Duisburg-Ruhrort; Westdeutsches Assekuranz-Kontor GmbH., Duisburg-Ruhrort; Gerhard Moser GmbH., Koeln; Kohlerhandel Carl Frowein KG., Wuppertal; W. Meutgen Nachf. GmbH., Mannheim; Gustav Hommenbruch GmbH., Muelheim (Ruhr); Josef Spornier GmbH., Muenchen; Stegmann & Co. KG., Bremen; Louis Thier & Co. GmbH., Stuttgart; Tankschiff-Reederei GmbH., Duisburg-Ruhrort; N.V. Stuwadoors-Maatschappij "Kruaal", Rotterdam - Chemische Forschungsgesellschaft mbH., Wanne-Eickel - Bruner Hotelgesellschaft mbH., Bremen - Reederei Blumenfeld GmbH., Hamburg; Bd. Blumenfeld GmbH., Berlin; Kohलगrosshandel Ihde GmbH., Luebeck; Rudolf Holart KG., Gesehacht; Paridon Moeller Kohlenhandels-gesellschaft mbH., Hamburg; Anglo Hanseatic Co. Ltd., London; and Lutz Weber & Co., Bregenz.

Source: Industrie-Kurier February 22, 1958, Translated February 21, 1958.

UNCLASSIFIED

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2001

FOR COORDINATION WITH State

NAZI WAR CRIMES DISCLOSURE ACT

OUTGOING TELEGRAM INCOMING AIRGRAM
INDICATE: COLLECT
 CHARGE TO

Department of State

LIMITED OFFICIAL USE

March 10, 1958
5:33 p.m.
DC/T

*Return to Halla w-5
W-5*

SENT TO: Bonn,
55-52
FROM: AMEMBASSY, BONN
E
SecState WASHINGTON NO. G-107
RMR
RPTD INFO: Amembassy LONDON
" PARIS
" LUXEMBOURG for CSC
W
L
INR
EUR
P
SUBJECT: AHC Law 27

On March 6 Motz of CSC Section, German Foreign Office, told Embassy officer that progress report has been approved for transmittal by Brentano, but that approval had been delayed in Federal Econ Ministry. As plans are to obtain Cabinet approval of transmittal of report, delay may arise from desire to defer transmittal until Adenauer has returned to Bonn and can take part in Cabinet discussion.

Embassy officer was permitted quick look at report. It is 11-page outline of sales made and pending sales obligations, with heavy treatment given Krupp. Explanation is made that Krupp sales obligations have not been completed because of inability to find buyers in Germany and undesirability of selling outside Germany; unclear ownership status with respect to several enterprises is also mentioned. Report concludes with inconsistent comments that all deconcentration and decartelization actions have been completed and adds that CSC High Authority now has competence in these fields.

Motz also said that Krupp has submitted application for extension of final time for disposition of securities. Application is

Dated by: E:NEC:MEBlake, Jr/mgc
Telegraphic transmittals and classification approved by: E:OD - Mr. Ockey

LIMITED OFFICIAL USE

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

UNLESS "UNCLASSIFIED REPRODUCTION FROM COPY IS PROHIBITED."

INCOMING AIRGRAM

Page 2 of 2 to Bonn

LIMITED OFFICIAL USE

still with Economics Ministry which received it, and Three Embassies will not be notified until such notification has been approved by Cabinet. When Embassy officer referred to wording of Chapter One, Article 10, Paragraph 1, Settlement Convention, the mixed committee should be formed immediately after notification of Three Powers of receipt of application, Motz said his remarks should not be construed as notification and that notification will be made more formally, either by Note or by calling in representatives of Three Embassies. He added we could expect more definite information in "next several weeks".

Motz cryptically remarked that interim would give time to complete sales if any could be made, but would give no elaboration. This remark, coupled with several made to British Embassy officials invites speculation that Krupp may be planning dispose additional assets. In December, Motz told British that in February Beitz asked British what reaction would be to a sale by Krupp. British say they replied to Beitz that this would be happy conclusion of case, provided sale not made to son as they have heard rumors of such plans from other sources.

British Foreign Office has asked British Embassy at Bonn to provide additional background information on AHC Law 27 cases. Request is similar to one made by Department in CA-6887, February 10, 1958. French Embassy has received no guidance from Paris, but has been told by Foreign Office official charged with AHC Law 27 responsibilities that a brief, containing proposals for settlement, was submitted to Foreign Minister in February; details are unknown by French Embassy officers.

BRUCE

LIMITED OFFICIAL USE

OUTGOING TELEGRAM

INDICATE: COLLECT
 CHARGE TO

Department of State *APES*

CONFIDENTIAL

*1) item
2) W-5 Jallen
1958 MAR 11 PM*

SENT TO: **Ambassy Bonn PRIORITY** 140

0572^{DC/1}

58

Origin

E

Intr

RMR

L

INR

EUR

REP

IRC

D-1

ICA

GIA

~~Ref Deptel 1702, December 25, 1957; CA-6887, February 13, 1958.~~

Embassy will appreciate Erhard on forthcoming visit US may raise steel deconcentration problem. Therefore Department needs information latest developments this problem soonest, particularly whether Krupp and Thyssen interests have applied for extension of time to dispose of properties.

Acting

HERTER

Handwritten initials

11 Mar 1958

Dated by: **OT:HP:R/Inter:1000/11/58** Telegraphic transmission and classification approved by: **RP - Roger C. Dixon**
Classified in substance with RA - Mr. Gilbert and GEA - Mr. Harlan

REPRODUCTION FROM COPY, IF CLASSIFIED PROHIBITED.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

FOR COORDINATION WITH *State*

DECLASSIFIED
Naz: War Crimes Disclosure Act
PL105-246

By: *[Signature]* Date: *[Date]*

INCOMING TELEGRAM

Department of State

W-1-3
W

55-51

LIMITED OFFICIAL USE

Action

E

Control: 8201
Rec'd: MARCH 13, 1958
3:28 PM

Info

FROM: BONN

RMR

TO: Secretary of State

L

NO: 2819, MARCH 13, 7 PM

INR

PRIORITY

EUR

REP

IRC

DCL

DEPTEL 2340

ICA

CIA

KRUPP APPLIED FOR EXTENSION SALES PERIOD TO GERMAN GOVERNMENT. SEE AIRGRAM G-107, MARCH 8, 1958, FOR DETAILS. THYSSEN HAS NOT SUBMITTED APPLICATION FOR EXTENSION. ACCORDING INTERNAL GERMAN GOVERNMENT MEMO, THYSSEN SALES PERIODS EXPIRE SPRING OF 1960. SEE EMBASSY'S D-1278, JANUARY 24, 1958, FOR DETAILS.

APPROPRIATE ECONOMIC MINISTRY AND FONOFF OFFICIALS SAY ERHARD NOT BEING BRIEFED ON AHC RPT AHC LAW 27 MATTERS, AND THEY DO NOT EXPECT HIM RAISE QUESTIONS IN PREMISES. IN VIEW CIRCUMSTANCES WITH RESPECT TO PROGRESS REPORT AND KRUPP APPLICATION (SEE G-107), EMBASSY SUGGESTS DEPT REFRAIN FROM RAISING LAW 27 WITH ERHARD.

REPLY TO CA-6887 FOLLOWS SHORTLY.

TRIMBLE

CK-23

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

LIMITED OFFICIAL USE

UNLESS UNCLASSIFIED
REPRODUCTION FROM
COPY IS PROHIBITED.

13 Mar 58

FOR COORDINATION WITH *State*

DECLASSIFIED
Nazi War Crimes Disclosure Act
PL 105-246

By: *[Signature]* Date: *[Date]*

DECLASSIFIED AND RELEASED BY
 CENTRAL INTELLIGENCE AGENCY
 SOURCES METHODS EXEMPTION 3B2B
 NAZI WAR CRIMES DISCLOSURE ACT
 DATE 2001 2008

Declassified and Approved for Release
 by the Central Intelligence Agency
 Date: 2001

NAZI WAR CRIMES DISCLOSURE ACT

SECRET
 (When Filled In)

DOCUMENT TRANSFER AND CROSS REFERENCE			
SUBJECT OF DOCUMENT		DOCUMENT IDENTIFICATION	
OPERATIONS Progress Report, Jan - March 1958		RI FILE NO.	321 6 7:13
		DISPATCH OR SOURCE DOC. SYMBOL NO.	EGFA-21199
		DATE	15 Apr. 58
ANALYST		DATE PROCESSED	DISSEMINATED IN
[]		9 June 58	9 June 58
DOCUMENT DISPOSITION			
<input checked="" type="checkbox"/> CROSS REFERRED TO THIS FILE		TRANSFERRED TO RI FILE NO. 1	
PERTINENT INFORMATION			
Extract from Att R to EGFA-21199, Contact Report #58/5 on 3 Mar. 58:			
10. Discussion During Supper:			
<p>a. Attitude Toward Krupp: Both [] and Identity 1 were quite excited over the question of the dissolution of the Krupp Iron and Steel empire. They were both very vehement in their belief that both the letter and the spirit of the allied control regulation on decartalization of German industry should be accomplished. They pointed out that Krupp had been given time to accomplish what was required by the regulation, but that his time was up in 1958. They felt that it was absolutely necessary for Germany as a new member of the free world community to show its good faith by seeing to it that the decartalization regulation was carried out. They both felt that this decartalization and consequent deconcentration of economic control of German life was an absolute necessity if German democracy were to survive. The Krupp case, in their view, was extremely important because it could pave the way for decentralization in many other areas. Krupp, they said, was very famous, in fact notorious, in Europe and in the world today, and it was therefore more practical to concentrate on such an individual first to obtain the enforcement of this regulation rather than to attempt to hit all of the big industrialists at one time. They argued that this concentration of economic power made it possible for a handful of men to dominate and control the government in West Germany, citing as an example, their belief that the entire tax structure of the Federal Republic was determined by six or seven individuals and that it was not possible to change this structure by parliamentary action. Both of them were concerned about the confusion on this subject which exists within their own organization. There had apparently been a discussion on this matter for some time prior to meeting me and they wished to continue with it. You will note that I have made no attempt to distinguish the views of [] from those of Identity 1 on this issue because there was actually no distinction. They were not arguing with each other; they were merely repeating to each other identical arguments. When asked my advice on the matter I tended to hedge, but suggested that if they believed so strongly, they ought to do something about it. I agreed with their statement that there seemed to be a considerable lack of interest in this problem on the part of the former enemies of Germany,</p>			
OVER			
FILE THIS FORM IN FILE NO. []			

FORM NO. 867 REPLACES FORM 867, 1 AUG 54
 1 MAY 56 AND FORM 137 WHICH ARE OBSOLETE.

SECRET

(7-44)

particular in the United States. It was quite obvious from this dialogue between C and Identity 1 that each of them was representing the SPD point of view on this issue. As a matter of fact Identity 1 said he had "fallen in love" with the SPD and more or less felt that party's program was the correct one; he is apparently not a member. The final conclusion that t two reached was that they should attempt to get their own organization to ta a public stand favoring the enforcement of the decartalisation regulation.

Ident. - 1 : Willy SCHLICHER

INCOMING TELEGRAM

Department of State

*Return:
Heller w-5
W-5*

46

OFFICIAL USE ONLY

Action

Control: 17251
Rec'd: APRIL 26, 1958
1:49 PM

EUR
Info
RMR

FROM: BONN
TO: Secretary of State

W

NO: 3246, APRIL 26, 5 PM

L

INR

E

IRC

DCL

SENT DEPARTMENT 3246, REPEATED INFORMATION PARIS, LONDON,
LUXEMBOURG AND DUESSELDORF UNNUMBERED.

ICA

CIA

LUXEMBOURG FOR CSC

ECON MINISTRY OFFICIAL IN CHARGE OF CONCENTRATION OF INDUSTRY MATTEI
SAYS THAT KRUPP APPLICATION TO CSC HIGH AUTHORITY FOR PERMISSION
TO BUY BOCHUMER VEREIN IS STILL PENDING BECAUSE HA HAS ASKED
FOR ELABORATION ON NUMBER OF POINTS. OFFICIAL SAYS KRUPP
OFFICERS BELIEVE HA IS TAKING UNNECESSARILY LONG TIME TO REACH
DECISION AND HAVE BEEN THINKING OF ASKING COURT OF JUSTICE
TO FORCE HA INTO MORE RAPID ACTION.

BRUCE

CV

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

OFFICIAL USE ONLY

UNLESS "UNCLASSIFIED"
REPRODUCTION FROM THIS
COPY IS PROHIBITED.

DECLASSIFIED
Nazi War Crimes Disclosure Act
PL105-246

By: WAC Date: 1/8/12

FOR COORDINATION WITH State

NAZI WAR CRIMES DISCLOSURE ACT

IN EUROPE

C. S. Monitor
MAY 9 1958

Vast Krupp Dynasty Weathers Breakups

By the Associated Press

Essen, Germany

The Western Allies which once charted the breakup of the vast Krupp empire are finding the 147-year-old dynasty as durable as the steel it produces.

Smashed to near ruin by Allied bombers in World War II and postwar dismantling for reparations, the house of Krupp rose from the rubble to employ some 90,000 workers and do a business of nearly 800 million dollars a year.

Now the Western Big Three, pressed by Chancellor Konrad Adenauer, have agreed to re-examine their trust-busting plans for Krupp and other German industrial barons.

Head of this huge iron, coal, steel complex in the heart of the Ruhr is quiet, reserved Alfred Krupp von Bohlen und Halbach, great-great-grandson of the company's founder.

Jailed as a war criminal in 1945, Herr Krupp was released seven years ago and returned to his 200-room castle overlooking Essen, still one of Europe's richest men.

Loyal Workers

He holds the devotion of thousands of Ruhr citizens, to whom working for Krupp is a way of life. From top management down to mill hands they have staunch loyalty to the firm, fostered by such social benefits as a pension fund begun in 1858, a housing program launched in 1861, and a company hospital started in 1871.

Even before he got out of jail, Herr Krupp's lieutenants had made a start at getting the various sectors of his empire back in operation. Observers credit this team spirit with being a key factor in the firm's overcoming formidable postwar obstacles.

Main hurdle was Allied determination to break up the

vast Krupp complex, which had supplied much of the tools for the German military machine in two world wars.

Properties Confiscated

Herr Krupp's properties, confiscated by the United States War Crimes Court, were restored to him when his 12-year jail sentence was cut short in 1951. But under a pact he signed with the Western Big Three in 1952, he was allowed direct control only over steel fabricating and engineering divisions. He agreed to dispose of rich mining properties and his Rheinhausen, steel plant—third biggest producer in West Germany—within five years. This would have cut his company in half.

The deadline slipped by this spring, but now the pact is expected to be enforced with leniency, if at all. The Allies promised to think things over after Dr. Adenauer argued that Herr Krupp and his fellow steel magnates were finding it hard to get buyers for their properties.

Krupp experts question the legality of the agreement—made between three sovereign nations and a private citizen of another. They also cite loopholes, such as no provision to prevent Herr Krupp from selling the properties to his own son. The magnate says he wants to avoid any hassle, however, and hopes the allies will not hold him to the bargain, or at least will modify its terms.

To complete his comeback, Herr Krupp plans to take over Bochumer Verein, big Ruhr company which makes the steel castings he has lacked since wartime bombers flattened one-third of his plants.

Purchase of Bochumer would make Herr Krupp once again owner of steel-making facilities extending from mine to finished product. It would restore the heart and balance of the Krupp empire.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

COORDINATION WITH STATE

Declassified and Approved for Release by the Central Intelligence Agency Date: 2001

NAZI WAR CRIMES DISCLOSURE ACT

Air Pouch

CONFIDENTIAL

DO NOT TYPE IN THIS SPACE

862a.054/325

FOREIGN SERVICE DESPATCH

FROM : Embassy, London

3719

TO : THE DEPARTMENT OF STATE, WASHINGTON.

May 13, 1958

REF : Embassy Despatch 3178 and Bonn's 3215 repeated London unnumbered

For Dept. Use Only	ACTION	DEPT.
	REC'D	OTHER
		CH-2 REP-2 IRC-8 F-4 ICH-10 L-2 C-1
		CH-12 COM-16 TR-3 FRB-2 TAR-2 11-1

SUBJECT: Frown Deconcentration of Krupp Properties in Germany

The speech of Mr. Krupp at the end of April in which he protested the enforced sale under allied deconcentration measures of his coal and steel properties was given considerable publicity in the British press, and gave rise to a parliamentary question in the House of Lords, following up the question reported in the reference despatch.

The text of the questions and the Government's replies is set out in Attachment A. The Government reiterated its position that the matter would have to be decided among the three governments and a unilateral statement of the UK position at this stage might prejudice the intergovernmental discussions. In response to a further question, however, the Government spokesman gave assurance that the UK Government would "stand by the deconcentration agreement."

The Foreign Office official concerned with this question confessed to some discomfort over the statement which, it was thought, might have been more happily expressed. The UK Government's position, in fact, he said, is that the matter is completely open until the inter-governmental discussions take place. He said some progress had been made in that the German Government's reply, so far as it went, had been received April 25. He assured the matter would be pursued in due course among the three governments in Bonn, although he had heard nothing about what, if anything, was in progress. He said he thought Krupp's speech in Germany had not been helpful.

There is also attached an article which appeared in the Manchester Guardian on May 9 entitled, "Giants in the Ruhr" which described the trend toward reconstituting large industrial enterprises in the Ruhr, which was offset to some extent by the controls of the Coal and Steel Community and of the anti-cartel law of the Federal German Government, under Erhard's leadership. The article suggests that these controls

OFFICIAL USE ONLY

CONFIDENTIAL

INFORMATION COPY

Not to be disseminated or destroyed in accordance with security regulations.

DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCES METHODS EXEMPTION 3B2B NAZI WAR CRIMES DISCLOSURE ACT DATE 2001 2006

may 58

CONFIDENTIAL

(Classification)

Page 2 of

Encl. No.

Desp. No. 3729

From London

would prove ineffective if reconcentration were required by a recession. The article was apparently prompted by the recent Krupp speech which had again drawn public attention to the status of the reconcentration program.

FOR THE AMBASSADOR:

Daniel F. Margolies
First Secretary of Embassy

Cleared by:

J. W. Adams - E/O/AF

Approved by:

J. W. Adams, Deputy to the
Economic Minister

Attachments: (1) Extract from Hansard House of Lords Debates
(2) Article from Manchester Guardian, May 9, "Giants
in the Ruhr" (7 copies) /m
EXI

cc: Ambassadors Bonn (2), Paris, Luxembourg; for Ambassador Butterworth

CONFIDENTIAL

CONFIDENTIAL

(Classification)

Page 3 of
Encl. No. _____
Desp. No. 3719
From London

Attachment A
Extract from Hansard House of Lord's Debates
May 7, 1950, Vol. 209, No. 64, Cols. 29-31

Disposal of Herr Krupp's Assets

Viscount Alibank: My Lords, I beg to ask the question which stands in my name on the Order Paper.

The Question was as follows: To ask Her Majesty's Government -- (1) whether their attention has been drawn to a paragraph in the Times of April 29, 1951, which states that Herr Alfred Krupp von Bohlen und Halbach has come out openly against the allied order to deconcentrate his concern and has said that the Federal Republic is a sovereign State and should not carry out measures contrary to the basic rights of the Republic; (2) whether in May, 1951, full information was requested by Her Majesty's Government from the Federal Government of the extent to which it had fulfilled its obligations under the March, 1953, deconcentration agreement; (3) whether a reply was received to the foregoing request and, if so, on what date and what was its nature; and (4) whether the policy of Her Majesty's Government is directed to ensuring that Herr Krupp shall not be released from any of his undertakings under the agreement.

The JOINT PARLIAMENTARY UNDER-SECRETARY OF STATE FOR FOREIGN AFFAIRS (The Earl of Gofford): My Lords, I have seen the Press report referred to by the noble Viscount, Lord Alibank. Full information on the deconcentration programme was requested from the Federal German Government. A reply was received in London on April 29 last. This reply is now being studied. Your Lordships will understand that the reply must now be discussed with the French and United States Governments, who are jointly responsible with Her Majesty's Government for these problems and to which the reply was also given. As I told the noble Viscount on December 11, and as my noble friend Lord Lansdowne repeated on April 16, policy in these matters concerns the three Governments. It would be better not to prejudice discussions with them by expressing unilateral views at this stage.

Viscount Alibank: My Lords, I beg to thank the noble Earl for his reply. Will the noble Earl and the Government take note of the fact that Herr Krupp, the infamous employer of slave labour, both male and female, who was prematurely released from jail by the American High Commissioner, Mr. McCloy in 1951, would never have made those impudent remarks referred to in my Question unless he had been assured of support from important personages in West Germany?

Will the noble Earl bear in mind, further, that part of the group assets which are subject to deconcentration under the agreement of 1951 are now being employed in competition with British traders in markets in most parts of the world?

Lord Henderson: My Lords, the noble Earl said that this is a matter for consultation with the American and French Governments. We understand that,

CONFIDENTIAL

CONFIDENTIAL

(Classification)

Page 6 of _____
Encl. No. _____
Desp. No. 3719
From London

but the fourth part of the noble Viscount's Question asks whether Her Majesty's Government will see that the deconcentration agreement is not made a dead letter. Can we be assured that, in the negotiations or discussions with the American and French Governments, Her Majesty's Government will stand by the deconcentration agreement?

The Earl of Oxford: My Lords, I think I can assure the noble Lord on that point.

Viscount Stanegate: My Lords, without consulting the French, or anybody else, is it possible for the noble Earl to tell us whether he agrees with Herr Krupp's statement that the Federal Republic is a Sovereign State and should not carry out measures contrary to the basic rights of the Republic?

The Earl of Oxford: My Lords, certainly the Federal Government is a Sovereign State; but she also has treaty obligations to other countries.

CONFIDENTIAL

NAZI WAR CRIMES DISCLOSURE ACT

Dix zum Beginn des Wintergeschäftes Anfang Oktober dieses Jahres — so hatten Energie-Experten der Montan-Union geschätzt — würden die Halden mit acht Millionen Tonnen ihren höchsten Stand erreichen. Unter den gegebenen Verhältnissen aber wird der kritische Bestand bereits spätestens Mitte Juni erreicht sein.

In den kunststernverzierten Palästen der westdeutschen Mineralindustrie versucht man indes, sich einen Heim auf das widerstandslos Verhalten des Ruhrbergbaus zu machen. Erklärte der Generaldirektor der Hamburger Esb AG, Gerhard Götz: „Der Ruhrbergbau hat nach langem Widerstreben endlich eingesehen, daß die Heizöl eine ständig wachsende Bedeutung im Brennstoffgeschäft zukommt. Wenn die Handelsgesellschaften der Ruhr durch Preisdrückereien auf dem Heizölmarkt nunmehr ihrer eigenen Kohle Konkurrenz machen, dann kann ich mir das nur so erklären, daß der seit 60 Jahren streng kartellierte Kohlenhandel jetzt, da er im Heizölgeschäft die ungewohnte Preisfreiheit genießt, ein wenig über das Ziel hinaus schießt. Die sind eben noch ein bißchen ungewohnt.“



Beitz: Trost aus Moskau

KRUPP

Die Bremse

Als Anastas Mikojan, stellvertretender Vizepräsident der Sowjet-Union und fünfjähriger Außenhandelsexperte des Roten Reichs Ende April Bonn besuchte, machte er auch Bekanntschaft mit dem Vertreter der Firma, die in westlich-demokratischen Vorstellungen ebenso wie in der sowjetisch-kommunistischen Propaganda als Symbol der Kriegslüsterheit deutscher Schlotbarone figuriert: mit dem Generalbevollmächtigten der Firma Krupp, Berthold Beitz.

- 1 - Erstaunlicherweise jedoch verlief das
- 2 - Gespräch des roten Armeniers mit dem
- 3 - Muster-Kapitalisten im besten Einvernehmen, und Dienstag letzter Woche reiste
- 4 - Beitz auf Mikojans Einladung nach Moskau.

4 June 58

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2006

sollen nach den Plänen der Mineralölgesellschaften Esso, BP und Shell sowie des Ruhrbergbaus jährlich mehr als 32 Millionen Tonnen Rohöl in eigenen Raffinerien destilliert werden. 1957 konnten die Gesellschaften nur 16,8 Millionen Tonnen in eigenen Werken destillieren.

Um aber eine einigermaßen sichere Gewähr dafür zu haben, daß die teuren Raffinerien später auch ausreichend beschäftigt sind, müssen die Ölgesellschaften schon heute darauf bedacht sein, sich einen Marktanteil zu sichern, der ihrer künftigen Raffineriekapazität entspricht.

Durch das beginnende Rennen der Ölgesellschaften um die Marktanteile sahen sich die Kohlenhandelsgesellschaften wie Klöckner und Raab Karcher GmbH unversehens in eine schwierige Lage gebracht. Nach der Kohlepreiserhöhung am 1. Oktober vorigen Jahres trauten sie dem Kohlegeschäft nicht mehr, sondern hielten es vielmehr für richtig, auch ihrerseits in die Preisschlacht am Heizölmarkt einzugreifen, zumal eine Reihe ihrer Kunden jetzt ihre Anlagen ebenfalls mit Öl befeuern wollte. Um diese Kunden zu halten, schien es den zecheneigenen Kohlenhandlungen geraten, ebenfalls billiges Heizöl zu verkaufen, obwohl dadurch die Absatzmisere der Ruhrkohle noch kritischer werden mußte.

Den direkten Zusammenhang zwischen dem forcierten Handel der Zechen mit Heizöl und den Kohlehalden will man an der Ruhr nicht eingestehen. Erklärte der Direktor der Raab Karcher GmbH, Fritz Dittmar, dessen Firma der Gelsenkirchener Bergwerks-AG (GBAG) angehört: „Heizöl ist ein Brennstoff genau wie Kohle und soll ebenfalls von uns gehandelt werden. Als die Fernsehgeräte auf den Markt kamen, wurden sie ja auch vom Radiohandel verkauft. Ich lasse mir doch meine Kunden nicht wegnehmen.“

Dittmars Raab Karcher GmbH sei es nicht einmal schwer, den Heizölabsatz zu forcieren. Die Gesellschaft verfügt innerhalb des GBAG-Konzerns über eine Raffinerie, die Gelsenberg Benzin AG. Wie erfolgreich diese Raffinerie sich in die Heizölproduktion eingeschaltet hat, erfuhren die Aktionäre der Gelsenkirchener Bergwerks-AG jüngst aus einem Aktionärsbrief. „Unser Mineralölwerk“, schrieb GBAG-Generaldirektor Dötting, „hat 1957 über zwei Millionen Tonnen Rohöl durchgesetzt, zwanzig Prozent mehr als im Vorjahr. Es sind jedoch nur sechs Prozent mehr Treibstoffe hergestellt worden... Aber 153 Prozent mehr an Heizöl.“

Daß derartige Rekordproduktionen jedoch nicht allein dazu dienen, dem Bergbau den Kundestamm zu erhalten, davon konnten sich die Mineralölgesellschaften in den letzten Monaten überzeugen. Mäkelte BP-Direktor Hallmann: „Wir kommen jeden Morgen mit Angst und Bangen ins Büro. Kürzlich erwartete uns zum Beispiel die Schreckensnachricht, daß eine Kohlenhandelsgesellschaft unser Angebot vom Tage zuvor um sage und schreibe neun Mark je Tonne unterboten hatte.“

Ähnliche Erfahrungen machte auch die Esso. Das Unternehmen erhielt Nachrichten, wonach die Kohlenhandelsgesellschaften in hafentfernen Gebieten schweres Heizöl für etwa 86 Mark je Tonne anbieten. Das sind etwa 20 Mark weniger als die Zechenfirmen selbst für Heizölimporte aus Venezuela aufwenden.

Die Mineralölgesellschaften wunderten sich über derartige Verlustverkäufe der Zechenfirmen besonders deshalb, weil die gleichen Unternehmen beispielsweise ihren Kohlenkunden keineswegs mit derartigen Preisumständen entgegenkommen. Die Ölmanager äußerten daher ihren Verdacht,

Der Firma Krupp kam der Empfang ihres Chefmanagers am Hof der renommiertesten Konzern-Bekämpfer in diesem Augenblick besonders gelegen. Eben jetzt ist im Westen eine Anti-Krupp-Kampagne im Gange, und eben jetzt stehen im Parlament der Montan-Union Beratungen bevor, die für die Weiterentwicklung des Krupp-Konzerns von ausschlaggebender Bedeutung sind.

Der Lärm um Krupp hatte Anfang März dieses Jahres begonnen. Bis zum 3. März nämlich sollte Alfred Krupp von Bohlen und Halbach eine Anordnung befolgen, die ihm am 4. März 1953 aufgezungen worden war, nachdem ihn die Amerikaner aus dem alliierten Kriegsverbrechergewahrsam in Landsberg entlassen hatten. Krupp hatte sich verpflichten müssen, binnen fünf Jahren seine sämtlichen Kohlenzechen und das Hüttenwerk Rheinhausen A.J. bei Duisburg zu veräußern. Überdies künftig weder mittelbar noch unmittelbar ein Werk der deutschen Kohle-, Eisen- und Stahlindustrie zu erwerben.

Gegen die beiden hauptsächlichsten Bestimmungen dieser Erklärung hat Krupp inzwischen verstoßen:

- ▷ Er hat das Stahlwerk Rheinhausen nicht veräußert, sondern im Gegenteil zu einem der modernsten Unternehmen seiner Art (Ausstoß pro Jahr: 2,2 Millionen Tonnen Stahl) entwickelt;
- ▷ er erwarb — vornehmlich durch Vermittlung seines schwedischen Millionärfreundes Axel Wenner-Gren, also „mittelbar“ — das Vorkaufsrecht auf 76 Prozent der „Bochumer Verein für Gußstahlfabrikation AG“.

Sollte es Krupp gelingen, seinen Anspruch auf die Stahlwerke des Bochumer Vereins zu verwirklichen, so wäre er Herr über eine Stahlproduktion von jährlich rund vier Millionen Tonnen. Er würde 17 Prozent der gesamten westdeutschen Stahlproduktion kontrollieren. Seine Werke würden fast doppelt soviel Stahl produzieren wie die Firma Krupp jemals zuvor. Vor dem Kriege stellte Krupp jährlich rund 2,3 Millionen Tonnen Stahl her.

Diese Zusammenballung industrieller Kapazität in der Hand eines Mannes — sie ist in der Welt einzigartig — hat insbesondere die britische Industrie alarmiert, und zwar um so nachhaltiger, als Krupp sich heute mehr als früher auf die Herstellung von Verbrauchsgütern konzentriert hat.

Seine rund 150 Betriebe (Gesamtumsatz 1957: 3,4 Milliarden Mark) gehören zum größten Teil der weiterverarbeitenden Industrie an. Seine Stahlwerke — früher Basisbetriebe der Kruppschen Kanonenfabriken — geben heute die Grundlage für weiterverarbeitende Unternehmen ab, die in England als Konkurrenten mit größerem Unbehagen betrachtet werden als jemals die Rüstungsproduktion früherer Krupp-Generationen.

Daraus erklärt sich, warum insbesondere England und Frankreich hartnäckig auf dem Schein bestehen, den Alfred Krupp 1953 unterschreiben mußte. Man will die Stahlbasis der Kruppschen weiterverarbeitenden Industrie erschüttern.

Inzwischen hat Krupp mit seinem Plan, den Bochumer Verein zu erwerben, solchen britischen und französischen Bestrebungen einen weiteren und erfolgversprechenden Ansatzpunkt geliefert. Nach dem Vertrag über die Montan-Union müssen einschneidende Veränderungen der Besitzverhältnisse in der Kohle-, Eisen- und Stahlindustrie der Hohen Behörde in Luxemburg gemeldet werden. Mit den Paragraphen der Montan-Union soll nun Krupps Stahl-Ehrgeiz gebremst werden.

DER SPIEGEL, Mittwoch, 4. Juni 1958

N. Y. Times

JUN 9 1958

Reds May Sell Steel in Germany And Other Western Countries

BONN, Germany, June 7—Reports were current today in the Ruhr that Soviet-produced steel soon might be offered to German and other Western manufacturers at world market prices.

One well informed source said the German steel community and representatives of foreign steel companies in this country were aware of these reports and seemed to take them as hard facts.

These reports coincided with attention focused on a contract by the Krupp concern of Essen to supply a synthetic fiber plant to the Soviet Union. The contract, which was signed in Moscow last week by Berthold Beitz, general manager of the Krupp concern, is valued at 30,000,000 marks (\$11,900,000).

This morning a two-column editorial appeared on the front page of Die Welt of Hamburg not only approving the Krupp contract but urging other German manufacturers to follow the Krupp example. Die Welt also approved the

contract on political grounds. It said "We are of the opinion the West should help the Soviet Union. It is one of the oldest lessons in history that one should participate in an unavoidable process . . ."

"It is also better . . . to turn to exporting to the Soviet Union than to take refuge in the production of tanks and guns in the face of an export recession."

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

9 June 58

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2001

NAZI WAR CRIMES DISCLOSURE ACT

DATE 348 JPB/DJB
10 JUNE 1958

CLASSIFIED MESSAGE

S-E-C-R-E-T

ROUTING	
1	REG 1 Rd
2	RF 2
3	Rh 3

TO : DIRECTOR
 FROM : BONN
 ACTION: SR 6
 INFO : COP, FI, FI/OPS, FI/RQM 3, S/C 2, *EX 1*

JUN 10 1834Z 58

PRIORITY

IN 40085

File: Krupp 201.

TO DIR INFO FRAN FROM 1 CITE BONN 7094

REDWOOD

1. MINISTER TASCA HAS INVITED [] [] TO DINNER 12 JUNE WITH DR BERTHOLD BEITZ, KRUPP PLENIPOTENTIARY RECENTLY RETURNED FROM MOSCOW, AND DR. GUENTHER LUECK, KRUPP BONN REPRESENTATIVE.
 2. WHILE THIS ONE-TIME CHANCE TO TALK WITH BEITZ, CONTACT WITH LUECK COULD BE REPEATED.
 3. PLEASE CABLE REQUIREMENTS TO REACH BONN BY 1600Z 12 JUNE. NONE OTHER THAN ABOVE WILL BE PRESENT AND QUESTIONING CAN BE QUITE DIRECT.
- END OF MESSAGE

Any CALL/CADORY interest?

Run a priority trace on Dr Guenther Lueck.

DECLASSIFIED AND RELEASED BY
 CENTRAL INTELLIGENCE AGENCY
 SOURCE METHOD EXEMPTION 3B2E
 NAZI WAR CRIMES DISCLOSURE ACT
 DATE 2008

S-E-C-R-E-T

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED. Copy No. 10 June '58

41

KRUPP-SOVIET PTRADE

MOSCOW TASS IN ENGLISH HELLSCHREIBER TO EUROPE 0154 6/11 L

(TEXT) MOSCOW--THE MAIN PURPOSE OF MY JOURNEY TO THE SOVIET UNION WAS TO RESTORE THE LONGSTANDING TIES BETWEEN KRUPP AND SOVIET FOREIGN TRADING ORGANIZATION WHICH HAD BEEN SEVERED BY THE WAR, SAID .4. BERTHOLD BEITZ, REPRESENTATIVE GENERAL OF KRUPP, IN AN INTERVIEW PUBLISHED IN THE CURRENT ISSUE OF NEW TIMES.

THANKS TO THE CONTACTS I HAVE ESTABLISHED HERE AND EVERYTHING I HAVE SEEN IN THE SOVIET UNION, MR. BEITZ CONTINUED, MY IDEAS OF THE PROSPECTS OF BUSINESS RELATIONS OPENING UP TO OUR FIRM HAVE BEEN CONSIDERABLY EXPANDED. OUR FIRM IS SPECIALLY INTERESTED IN LONG-TERM MUTUALLY ADVANTAGEOUS COOPERATION WITH SOVIET TRADING ORGANIZATIONS. THAT IS WHY I TRIED TO FIND OUT IN MOSCOW WHAT CONTRACTS FOR

ONG-TERM DELIVERIES AND ON WHAT CONDITIONS WE COULD CONCLUDE IN THE SOVIET UNION. THE SAME RANGE OF QUESTIONS OF CONCERN TO SOVIET TRADING ORGANIZATIONS. WE ASCERTAINED OUR RECIPROCITY OF INTERESTS.

OUR MOST SINCERE DESIRE, MR. BEITZ SAID IN CONCLUSION, IS TO WORK ON THE SOVIET MARKET IN SUCH A WAY THAT, IF I ARRIVED HERE 20 YEARS LATER, I WOULD NOT BE ASHAMED OF THE QUALITY OF EQUIPMENT SUPPLIED BY OUR FIRM.

FBI 6/11 131P SB

11 June 58

42 NO REPUBLICATION

SOVIET-U.S. TRADE

PARIS AFP RADIOTELETYPE IN ENGLISH TO AGENCY OFFICES 1504 6/11 E

(EXCERPT) MOSCOW--THE SOVIET WEEKLY NEWS TIMES TODAY STRESSED THE INTEREST WHICH TRADE WITH THE SOVIET UNION REPRESENTED FOR BOTH THE UNITED STATES AND WESTERN EUROPE, PARTICULARLY WEST GERMANY.

IN AN ARTICLE DEVOTED TO PREMIER NIKITA KHRUSHCHEV'S LATEST MESSAGE TO PRESIDENT EISENHOWER, IN WHICH HE ASKED FOR AMERICAN CREDITS TO BUY AMERICAN GOODS, THE WEEKLY EMPHASIZED "ONE OF THE GREATEST ABSURDITIES OF OUR TIMES, PARTICULARLY NONEXISTENT VOLUME OF TRADE BETWEEN THE SOVIET UNION AND THE UNITED STATES, THE TWO GREATEST INDUSTRIAL POWERS IN THE WORLD." AMERICAN SECRETARY OF STATE JOHN FOSTER DULLES IMPLIED YESTERDAY THAT KHRUSHCHEV'S REQUEST WOULD BE REFUSED.

THE ARTICLE, BROADCAST BY THE TASS NEWS AGENCY, SAID THAT KHRUSHCHEV'S PROPOSALS HAD BEEN FAVORABLY RECEIVED IN AMERICAN INDUSTRIAL CIRCLES AND THAT "ONLY THE PARTISANS OF THE COLD WAR ARE OPPOSED TO AN INTENSIFICATION OF SOVIET-AMERICAN TRADE."

FBI 6/11 137P SB

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

659 JW/MCB/...

CLASSIFIED MESSAGE

ORIG :
UNIT : SR/3FI
EXT : 8054
DATE : 11 JUNE 1958

SECRET

ROUTING	
EEB	SD
CE	
CAJ	

TO : BONN FRANKFURT
FROM : DIRECTOR
CONF : SR 6
INFO : COP, FI, FI/OPS, FI/ROM 3, EE 1, S/C 2

Handwritten:
1) Docket
2) C/6
3) OA
4) DCI WEST

DEFERRED	<input checked="" type="checkbox"/>	PRIORITY	INITIAL
ROUTINE		OPERATIONAL IMMEDIATE	INITIAL

OUT87841
OUT 87841

TO BONN INFO FRAN CITE DIR

Handwritten: Krupp 201.

26390
26390

NO NIGHT ACTION

REDWOOD

REF : BONN 7094 (IN 40085) - *no file; int (APW), OA/CWEST*

SUGGEST FOLLOWING POINTS BE COVERED IF CIRCUMSTANCES PERMIT:

1. DURING THE VISIT WERE SOME OF THE PROBLEMS SOVS HAVE ENCOUNTERED IN THEIR INDUSTRIAL REORGANIZATION PROGRAM DISCUSSED? IF SO:
 - A. HOW IS THE SUPPLY PROBLEM BEING HANDLED?
 - B. UNDER THE REORGANIZATION PROGRAM WHICH ORGANIZATION AND AT WHAT LEVEL ARE COMMODITY PRICES DETERMINED?
 - C. WERE VISITORS ABLE TO GET ANY INDICATIONS AS TO SOV THINKING RE FUTURE DEVELOPMENTS OF REORGANIZATION PLAN?
2. WAS THERE ANY DISCUSSION ABOUT INVESTMENT PROBLEMS IN USSR? ANY SPECIFIC INDICATION THAT SOV OUTPUT GOALS ARE UNREALISTIC RELATION TO AVAILABLE FUNDS? ANY INDICATION AS TO WHICH SPECIFIC INDUSTRY MIGHT BE FACED WITH THIS PROBLEM?
3. WHAT WAS KRUPP IMPRESSION AS TO WHY SOVS WANTED TO BUY MACHINERY FOR PRODUCING ARTIFICIAL FIBERS? WHAT OTHER MACHINERY WERE SOVS INTERESTED IN PURCHASING?

COORDINATING OFFICERS

SECRET

RELEASING OFFICER

AUTHENTICATING OFFICER

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED. Copy No.

Handwritten: 11 June 58

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

ORIG :
UNIT :
EXT :
DATE :

SECRET

2	61
3	

TO :
FROM : DIRECTOR
CONF :
INFO :

DEFERRED	PRIORITY	IN
ROUTINE	OPERATIONAL IMMEDIATE	IN

OUT 87841
DIR 26390

PAGE TWO

TO INFO CITE DIR

WHERE WOULD IT BE INSTALLED?

4. WHAT ARE SOVS OFFERING IN RETURN? RAW MATERIALS OR GOLD? IF FORMER WHAT MATERIALS? WHAT CREDIT TERMS WERE DISCUSSED? DID SOVS EXPECT THAT THESE BUSINESSMEN WOULD RETURN AND PRESSURE THEIR GOVT ON THE QUESTION OF CREDITS?

5. TO WHAT DEGREE ARE SOVS INSISTING UPON MOST TECHNOLOGICALLY ADVANCED MACHINERY AVAILABLE?

6. DID KRUPP OFFICIALS GET INTO PROBLEM OF AUTOMATION? WHAT IS SOV THINKING ON AUTOMATION? WHAT POLICIES MIGHT THEY ADOPT IN DEALING WITH AUTOMATION?

7. WHAT IS SCHEDULED COMPLETION DATE OF THE PLANT KRUPP IS TO EQUIP? PLANT LOCATION. WHAT SPECIFIC FIBER IS TO BE PRODUCED IN THIS PLANT? FOR WHAT END PRODUCT ARE THESE FIBERS INTENDED?

8. DID KRUPP OFFICIALS GET ANY IMPRESSION THAT THE SOVS ARE TRYING TO MODERNIZE THEIR CONSUMER GOODS INDUSTRIES?

9. DOES SOURCE FEEL THAT CURRENT SOV DRIVE FOR IMPORTS OF MACHINERY FOR PRODUCTION OF SYNTHETIC FIBERS AND PLASTICS IS LONG TERM AFFAIR OR WILL SUCH PURCHASES CEASE AS SOON AS BASIC MACHINES OBTAINED? WHAT ARE QUANTITIES OF RAW

COORDINATING OFFICERS

SECRET

RELEASING OFFICER

AUTHENTICATING OFFICER

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED. Copy No.

ORIG
UNIT
EXT
DATE

CLASSIFIED MESSAGE

SECRET

ROUTING	
1	
2	
3	

TO
FROM : DIRECTOR
CONF
INFO

DEFERRED	PRIORITY
ROUTINE	OPERATIONAL IMMEDIATE

PAGE THREE

OUT 87841
DIR 26390

TO INFO CITE DIR

MATERIAL REQUIRED PER TON OF END PRODUCT?

10. DOES SOURCE KNOW WHAT PART OF SOV CEMENT PLANT EXPANSION WILL BE CONTRIBUTED BY FOREIGN SUPPLIERS. WHY HAS USSR SUPPLEMENTED DELIVERIES OF CEMENT PLANT EQUIPMENT TRADITIONALLY RECEIVED FROM E GERMANY WITH DELIVERIES FROM FRANCE AND WEST GERMANY?
11. WAS THERE ANY DISCUSSION ABOUT SUPPLYING TO SOVS FERROUS AND NONFERROUS METALLURGICAL MACHINERY? IF SO WHAT TYPES ARE SOVS INTERESTED IN? ARE THEY INTERESTED IN MACHINERY FOR ROLLING MILLS, FOR CLUSTER AND PLANETARY MILLS.
12. ANY MENTION MADE OF POSSIBILITY OF WEST GERMAN INVESTMENTS IN CHINA?
13. WHAT, IF ANY, POLICY RECOMMENDATIONS WILL BE MADE BY SOURCES TO FEDREP AS RESULT THESE TALKS.
14. IN REPLY PLEASE CITE ID 4477.

- END OF MESSAGE -

C/S COMMENT: *REQUESTED CABLE REQUIREMENTS ON [] [] [] INVITATION TO DINNER WITH DR. BEITZ

SR/RQM (Coord, Draft - E, C.)

SR/COP/PI

EE/G

EE/COP

COORDINATING OFFICERS

CSR/3

SECRET

RELEASING OFFICER

AUTHENTICATING OFFICER

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED. Copy No.

OFFICIAL USE ONLY

- B 11 -

UNITED ARAB REPUBLIC
June 13, 1958

IRRIGATION PROJECTS--An official spokesman for the Ministry of Planning announced on June 11 that about 1.4 billion Syrian pounds were allocated in the development budget for irrigation projects in the Syrian region for the next 10 years. (Beirut, ANA, June 11, 1958, 1025 GMT--M)

BLACKLISTED SHIP--The department of customs in Alexandria has decided to blacklist the Dutch ship Nigeria for shipping war materials to Israel. (Cairo, MENA, June 9, 1958, 1121 GMT--M)

DIPLOMATIC RELATIONS--It was decided June 11 to exchange diplomatic representation between the UAR and Liberia at the embassy level. (Cairo, MENA, June 11, 1958, 1122 GMT--M)

ARAB DIPLOMATS--Salah al-Bitar has criticized Arab diplomats in South American countries for their failure to stress the mission of the Arab cause among the countries to which they are assigned. (Beirut, ANA, June 10, 1958, 0930 GMT--M)

SHIPYARD PROJECT--The Krupp Company is negotiating in Cairo for a contract to build a shipyard at Alexandria, with the cost of the installation scheduled to be about 45 million marks. (Paris, AFP, June 10, 1958, 1057 GMT--E)

CZECH JOURNALISTS--A delegation of Czechoslovak journalists left Damascus June 12 for Prague after a four-day visit to the Syrian region of the UAR. The delegation had earlier spent 10 days in the Egyptian region at the invitation of the department of information. (Cairo, MENA, June 12, 1958, 1115 GMT--M)

CUSTOMS TARIFF--AL-AHRAM reports that it has learned that the customs tariff fixed by the supreme customs council of the Syrian region was not discussed at meetings of the executive council in Cairo. The paper learns that President Abd an-Nasir will issue an order that any changes in customs tariff, revenues, or taxes must be proclaimed by a decree. (Cairo, MENA, June 7, 1958, 0500 GMT--M)

PARATROOP GRADUATION--A new group of paratroopers were graduated June 11 in the northern region of the UAR. (Cairo, June 11, 1958, 1000 GMT--M) (UNCLASSIFIED) Units of the paratroopers corps of the UAR are scheduled to hold maneuvers June 11 to test their ability to operate in populated areas. Paratroopers will jump from helicopters and jet planes, and will free fall for one minute before opening their chutes. The maneuvers will take place in the suburbs of Cairo. Units from both regions of the republic will participate. (Cairo, Hebrew, June 10, 1958, 1600 GMT--M) (UNCLASSIFIED)

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHODSEXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

13 June 58

208 ERB/ws
14 JUN 58

CLASSIFIED BY

S-E-C-R-E-T

RECEIVED

4
5
6

TO DIRECTOR

JUN 14 2209Z 58

FROM BONN

ROUTINE

ACTION: SR 6

INFO .COP, CI, CI/OPS, CI/IC, FI, FI/OPS, FI/ROM 3, PP 2, PP/OPS,
PP/ICD 2, PP/ECD, EE 4, WE 4, DO/1, AD/CI, S/C 2

IN 42138

TO DIR INFO FRAN CITE BONN 7112

REDWOOD INTEL

RE DIR 26390 (OUT 87841)

1. FOLLOWING KEYED TO PARAS OF REF:

1.1 ^{for info} BEITZ NOT KNOWLEDGEABLE ON THIS AND LACKS BACKGROUND IN SOVIET ECONOMIC ORGANIZATION. RELEVANT COMMENTS WERE SUCH TRUISMS AS IMPRESSION THAT OFFICIALS OF DISSOLVED MINISTRIES RELUCTANT ACCEPT PROVINCIAL ASSIGNMENTS, SOVNARKHOZ SYSTEM HAVING GROWING PAINS AND MAY IN LONG RUN BE LESS EFFICIENT THAN TIGHTLY CENTRALLY RUN ECONOMY. BEITZ VOLUNTEERED IMPRESSION THAT POLITRUKS (SIC) NO LONGER EXISTS IN PLANTS BECAUSE ALL SUPERVISORY EMPLOYEES NOW FULLY TRAINED POLITICALLY AND RELIABLE.

2. NONE.

3. BEITZ FEELS SOVS REALLY MAKING SERIOUS EFFORT INCREASE OUTPUT CONSUMER GOODS AND CHARACTERISTICALLY MAKING MAJOR AND SPECTACULAR EFFORT IN ONE SECTOR NAMELY ARTIFICIAL FIBERS FOR CLOTHING. EXCEPT FOR FAIRLY CASUAL INQUIRIES ABOUT DIESEL LOCOMOTIVES, SOVS INDICATES NO INTEREST IN PURCHASING ANY OTHER MACHINERY FROM KRUPP. BEITZ FEELS THAT OBVIOUS SOV DECISION TO CONCENTRATE ON ARTIFICIAL FIBERS MAY HAVE SOME IMPORTANT SIGNIFICANCE WHICH ESCAPES HIM BUT SEES NO CRITICAL OR DIRECT MILITARY USE FOR PLANTS DELIVERED.

S-E-C-R-E-T

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED

Coor No

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES/METHOD EXEMPTION
NAZI WAR CRIMES DISCLOSURE
DATE 2006

BEST AVAILABLE COPY

CLASSIFIED MESSAGE

S-E-C-R-E-T

ROUTING

4
3
2
1

DATE :

TO :

FROM :

ACTION:

INFO :

PAGE 2

IN 42138 BONN 7112

TO

INFO

CITE

4. PAYMENT IN DEUTSCHE MARK IN THREE STEPS: ON SIGNING OF CONTRACT, ON PARTIAL COMPLIANCE AND ON COMPLETION. SOVIETS NEVER BROUGHT UP MATTER OF CREDIT.
5. IN GENERAL SOVIETS SEEKING MOST ADVANCED MACHINERY AVAILABLE BUT ARE SHOPPING AGGRESSIVELY AND WOULD PROBABLY TAKE SOMETHING LESS THAN THE VERY LATEST IF IT ESPECIALLY ATTRACTIVELY PRICED. ONE STRICTURE: SOVIETS OFTEN BUY THE MOST ADVANCED ITEM THEY THINK THEY CAN COPY SUCCESSFULLY, WOULD FOREGO MOST ADVANCED TYPE IF THEY UNLIKELY BE ABLE COPY.
6. NO, PERHAPS BECAUSE KRUPP DOES NOT MAKE AUTOMATION EQUIPMENT.
7. EARLY 1960. COMPONENTS OF FULLY INTEGRATED FIBER-PRODUCING COMPLEX WILL BE AT TULA KUYBYSHEV MOSCOW. WILL PRODUCE NYLON PERLON DACRON. CLOTHING. FURTHER DETAILS PER PARA 2-C BELOW.
8. YES.
9. FEELS IT MASSIVE EFFORT IN COMPLIANCE OF POLITICAL DECISIONS AND TO MEET OBVIOUS NEEDS: UNABLE JUDGE DURATION. RE LAST SENTENCE, SEE PARA 2-C.
10. KNOWS ONLY THAT FRENCH ARE SUPPLYING CEMENT PLANT. SOVIETS OBVIOUSLY HAVE TO SUPPLEMENT EAST GERMAN SOURCE BECAUSE IT NOT CAPABLE OF MEETING ALL SOV NEEDS FOR PLANTS. BASE COMMENT: BLOC PLANNING CONSIDERATIONS MAY ALSO DICTATE BUILD UP OF EAST GERMAN PRODUCTION AND PLANTS THEREFORE BEING LEFT IN EAST GERMANY.

S-E-C-R-E-T

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED Copy No.

BEST AVAILABLE COPY

CLASSIFIED MESSAGE

S-E-C-R-E-T

ROUTING

4

5

6

DATE :

TO :

PAGE 3

IN 42138 BONN 7112

FROM :

ACTION:

INFO :

TO

INFO

CITE

11. NO. WILL INQUIRE FURTHER PER PARA 2-C.

12. NO.

13. BEITZ TELLING WIDE RANGE OF GOVERNMENT AND FOREIGN OFFICE CONTACTS

(A) THAT IN TRADE OF SORT HE CONDUCTING GERMANY PENETRATES SOV BLOC RATHER THAN REVERSE, (B) THAT GERMANY SHOULD MAKE A HUNDRED MILLION MARK LOAN TO POLAND BECAUSE POLISH NEED IS GREAT, GESTURE AT THIS TIME OF GREAT POLISH ^{NEED} WILL BE HISTORICAL AND LONG REMEMBERED, WILL HELP HEAL WOUNDS OF PAST, GERMANY IS MORALLY OBLIGATED DO SOMETHING THIS SORT, EVENTUAL REPAIRMENT BY POLES NO LESS LIKELY THAN BY "EGYPTIANS INDONESIANS AND THE LIKE", POLAND IS WESTERN ORIENTED AND SITUATION COULD EVOLVE MOST FAVORABLY THERE, SOVS WOULD NOT LIKE SUCH LOAN TO POLAND BUT COULD NOT STOP IT, ONLY HOPE FOR CHANGE IN SOVIET UNION IS AS RESULT OF INFLUENCE SPREADING FROM SATELLITES AND LIKELIHOOD OF ALL THIS WOULD BE ENHANCED BY EFFECTS OF LOAN. (C) HE FEELS CERTAIN CONTEMPT FOR GERMAN MANAGERIAL TYPES WHO SO EAGER TO MAKE BUSINESS TRIPS TO AMERICA AND OTHER ATTRACTIVE OR EXOTIC PLACES BUT WHO NEGLECT SUCH IMPORTANT AREAS AS BERLIN WARSAW POZNAM. (D) HE FEELS GERMANY SHOULD ESTABLISH DIPLOMATIC RELATIONS WITH POLAND AND FEELS GOVERNMENT AND FOREIGN OFFICE DEPLORABLY BACKWARD AND PASSIVE ABOUT THIS, WITH BREITANG WORST OFFENDER. (E) FEDREP MUST SOON TALK WITH PANKOW ON REUNIFICATION, EVEN IF NO PROSPECTS SUCCESS, TO MAKE CLEAR THAT WEST

S-E-C-R-E-T

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED

Copy No.

BEST AVAILABLE COPY

CLASSIFIED MESSAGE

DATE :

S-E-C-R-E-T

ROUTING	
1	4
2	5
3	6

TO :

PAGE 4

IN 42138 BONN 7112

FROM :

ACTION:

INFO :

TO

INFO

CITE

GERMAN STUBBORNNESS IS NOT WHAT IS HOLDING UP REUNIFICATION. (F) HAS SEEN BOTH AMERICAN AND SOVIET INDUSTRY AND IS ABSOLUTELY CONFIDENT THAT WEST HAS NOTHING TO FEAR IN PROLONGED COMPETITION, IN SPITE OF SPECTACULAR SOVIET PERFORMANCES WHEN THEY CONCENTRATE EFFORTS IN ONE SECTOR AS SPUTNIKS.

2. BASE COMMENT:

A. BEITZ WAS IN POLAND DURING WAR AND SEEMS HAVE GENUINE AFFECTION FOR POLES AND GREAT INTEREST IN SEEING THEM GET HELP.

B. BEITZ VERY SENSITIVE TO ANY SUGGESTION THAT HE ACTED IMPROPERLY IN GOING TO MOSCOW, IS MAKING AN ACCOMMODATION WITH THE SOVIETS, ETC.

C. PER OUR REQUEST TASCA SAID HE WISHED SEND TO ESSEN FOR MORE DETAILED DEBRIEFING OF KRUPP DIRECTOR KALLEN AND KRUPP SOVIET SPECIALIST WREDE, BOTH OF WHOM SPENT MUCH MORE TIME IN UNION THAN BEITZ AND HAVE MORE DETAILED KNOWLEDGEABILITY. BEITZ AGREED ARRANGE ANYTHING WE WANT. SUGGEST HQ CABLE SUITABLE QUESTIONNAIRE IN ADDITION TO REF OR ADVISE BY CABLE THAT THIS BEING POUCHED INSTEAD.

END OF MESSAGE

C/S COMMENT: *SUGGESTED POINTS TO BE COVERED DURING AND VISIT WITH DR. BEITZ RE PROBLEMS THE SOVS HAVE ENCOUNTERED IN THEIR INDUSTRIAL REORGANIZATION PROGRAM.

S-E-C-R-E-T

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED

Copy No.

BEST AVAILABLE COPY

548 JPB/DJB/...
 ORIG : []
 UNIT : BR/3 FI 548
 EXT : 8054
 DATE : 17 JUNE 1958

CLASSIFIED MESSAGE

SECRET

ROUTING			
<input checked="" type="checkbox"/>	EEG	4	Ad
<input type="checkbox"/>	RE	5	
<input type="checkbox"/>	Ch	6	
JUN 23 15 18:36			
CABLE []			
<input type="checkbox"/>	DEFERRED	PRIORITY	INITIALS
<input checked="" type="checkbox"/>	ROUTINE	OPERATIONAL IMMEDIATE	INITIALS
OUT 92023 GITS 2023			

TO : BOHN FRANKFURT
 FROM : DIRECTOR
 CONF : SR 6
 INFO : COP, CI, CI/OPS, CI/IC, FI, FI/OPS, FI/RQM 3, EE 4
 S/C 2

Handwritten notes:
 Deleted
 JPA
 3/2/58

TO BOHN INFO FRAN CITE DIR 28091
 REDWOOD

REF : A. DIR 26390 (OUT 87841) • *ho filing*
 B. BONN 7112 (IN 42138) " " *A. Krull w-5*

SUGGEST USE QUESTIONS 1, 2, 3, 5, 6, AND 8 REF A AS BASIS DISCUSSION KALLER AND WEDE. BASED ON RESULTS AND FURTHER INFO IDENTIFYING SOVS WITH WHOM SOURCES TALKED MAY HAVE ADDITIONAL QUESTIONS. RE QUESTION 6, SOURCES MAY HAVE SOME INFO CONSIDERING AUTOMATION IN BROADEST SENSE OF REPLACING HUMAN ELEMENT WITH MACHINES.

- END OF MESSAGE -

CS COMMENT: *FORWARDED REQUIREMENTS FOR [] [] [] USE AT DINNER WITH DR. BEITZ.

SR/RQM [] []
 SR/COP/FI []

DECLASSIFIED AND RELEASED BY
 CENTRAL INTELLIGENCE AGENCY
 SOURCES METHOD EXEMPTION 3B2E
 NAZI WAR CRIMES DISCLOSURE ACT
 DATE 2008

EE/CO []
 RELEASING OFFICER []
 COORDINATING OFFICERS []
 SECRET []
 AUTHENTICATING OFFICER []
 REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED. Copy No.

17 June 1958
BEST AVAILABLE COPY

TDCS-3/359,377

924 MJ/LSB/LSB/... OF TELETYRED INFORMATION REPORT
CLASSIFICATION SECRET
CONFIDENTIAL (When Filled In)

ORIG UNIT EE/RE	1ac	ROUTING			
EXT. 2662		1	4		
DATE 18 June 1958		2	5		
		3	6		

CONF. EE 13 JUN 18 20 30 z58

INFO. CI/OPS, CI/IC 2, FI/D 4, FI/RQM 6, PP 2, PP/OPS, PP/ECD, PP/ICD 2, SR 6, IOD 4 SPECIAL: STATE D/IR 2, STATE IRC/ICD 10, ARMY 1 & MAT, OCR 25, OCT 16

TDCS-3/359,377 DATE DISTR. 18 June 1958 PRECEDENCE

DISSEMINATION		ROUTING		PRECEDENCE	
AREA DIVISIONS	EE/RE	2	EE/Moore	x	
EE/G x	EE/Tucker	x	EE/RE/P	x	
SE/RP x	EE/Chaney	x	EE/REG	3	
EE/P x	EE/IS	x	CI/ICD	x	
	FRAN	2			

BASED ON (Fld. Rpt., Proj.)
BORN 7112, IN 42138 (Pt.)
N.P.
relaxants et al.

EVALUATION REQUESTED OF	STATE	ARMY	NAVY	AIR
TOTAL				

TRANSMISSION INSTRUCTIONS TO SIGNAL CENTER
EE 13
SR 6

DISSEMINATION INSTRUCTIONS TO CABLE SECRETARIAT
OCR 30 CI/ICD

DD/P INTERNAL USE ONLY

CONFIDENTIAL
NOFORN/CONTINUED CONTROL

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHODS EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

AUTHENTICATING OFFICER 7 C EE/RE	COORDINATING OFFICER (S) C w/EE/RE for C/EE
CLASSIFICATION SECRET (When Filled In)	COPIE NO.

18 June 1958

BEST AVAILABLE COPY

**CENTRAL INTELLIGENCE AGENCY
TELETYPED INFORMATION REPORT**

This material contains information affecting the National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

CLASSIFICATION CONFIDENTIAL CONFIDENTIAL		DISSEMINATION CONTROLS NOFORN/CONTINUED CONTROL	
TDCS-3/359,377		DATE DISTR. 18 June 1958	PRECEDENCE <input checked="" type="checkbox"/> ROUTINE
COUNTRY West Germany/U.S.S.R./Poland	PLACE ACQUIRED Germany, Bonn		
SUBJECT Opinions of Berthold Beitz			
DATE OF INFORMATION Early June 1958		REFERENCES	
APPRAISAL OF CONTENT (TENTATIVE) 2 (for reportorial accuracy).			
SOURCE EVALUATION (DEFINITIVE) West German business man (B), from Beitz.			
<p>1. Berthold Beitz, general manager of the Krupp firm, has recently been in the Soviet Union in connection with negotiations for trade deals between the firm and the Soviet bloc. He assures his numerous contacts in the Bonn Government and in the Foreign Ministry that trade of the type which he is conducting represents a penetration of the Soviet bloc by West Germany, rather than the reverse. He says he feels a certain contempt for those German industrialists who are eager to make business trips to America and other attractive or exotic places, but neglect such important areas as Berlin, Warsaw, and Poznań.</p> <p>2. Beitz argues that West Germany should make a loan of a hundred million marks to Poland, because the Polish need is great and a gesture at this time will be long remembered and will help to heal the wounds of the past; he feels that Germany is morally obligated to do something of this sort. He maintains that the Poles are no less likely to repay the loan than, for instance, the Egyptians or the Indonesians.</p>			
DISSEMINATION CONTROLS NOFORN/CONTINUED CONTROL		CLASSIFICATION CONFIDENTIAL CONFIDENTIAL	

*Sudden
&
TASCA.
General way.*

TO: ACSL AF, NAVY, JCS, OSD, STATE, NSA, OGI, ONE, OCR, ORR

BEST AVAILABLE COPY

CLASSIFICATION C-O-N-F-I-D-E-N-T-I-A-L CONFIDENTIAL	DISSEMINATION CONTROLS NOFORN/CONTINUED CONTROL
------------------------------------------------------------------	----------------------------------------------------

TDCS -3/359,377 | 18 June 1958 | PAGE NO. TWO

Poland, he says, is Western-oriented, and the situation in that country might develop in a most favorable way. The Soviet Government would not like such a loan to Poland, but could not prevent it. Beitz remarks that the only hope for a change in the Soviet Union is through influences spreading from the satellite states, and the likelihood of this would be enhanced by the effects of the loan.

3. Beitz believes that West Germany should establish diplomatic relations with Poland, and considers that the Government, and specifically the Foreign Ministry, has been deplorably backward and passive in this matter; he regards Foreign Minister Heinrich von Brentano as the worst offender.

4. In the opinion of Beitz, the West German Government must soon talk with the East German régime on the subject of reunification, even if there are no prospects of success, in order to make it clear that it is not West German stubbornness which is delaying reunification.

5. Beitz has seen both American and Soviet industry, and is absolutely confident that the West has nothing to fear from prolonged competition, in spite of spectacular Soviet successes when the U.S.S.R. concentrates its efforts in one field, such as the sputniks.

Field Distribution: None.

End of Message

DISSEMINATION CONTROLS NOFORN/CONTINUED CONTROL	CLASSIFICATION CONFIDENTIAL CONFIDENTIAL
----------------------------------------------------	-------------------------------------------------------

BEST AVAILABLE COPY

ORIG : 719 MM/LR
UNIT : C/EE/G/W
EXT : 3927
DATE : 3 July 1958

719

CLASSIFIED MESSAGE

S E C R E T

ROUTING			
1	EEG	4	RF
2	EEG	5	RES
3	Um	6	Cop
JUL 3 21 57:58 REC'D CABLE SECT.			
RECEIVED	<input checked="" type="checkbox"/> DEFERRED	PRIORITY	INITIALS
	<input type="checkbox"/> ROUTINE	OPERATIONAL IMMEDIATE	INITIALS
			OUT96630

TO : BOHN OPERATIONS BASE FRANKFURT HEADQUARTERS
FROM : DIRECTOR
CONF : EE 6
INFO : F1, F1/OPS, F1/RQM 3, S/C 2

J. Krupp

TO BOHN INFO FRAN CITE DIR

30233

CALL
RE BORN 7112 (IN 42138)
ODACID WISERS PASS REF INFO FOR FOLLOW UP BY DUBELDORF CON GEN WHO
IN TOUCH BEITZ. WE ADVISED ODACID THIS YOUR DECISION BUT SUGGEST YOU MAY
WISH PASS TASCA AND LUDEN TOGETHER WITH ODACID WISERS ABOVE.

END OF MESSAGE

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

[Signature]
EE/COP
RELEASING OFFICER

COORDINATING OFFICERS
S E C R E T

[Signature]
AUTHENTICATING OFFICER

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED. Copy No. *1*

3 July 1958

BEST AVAILABLE COPY

CLASSIFIED MESSAGE

S-E-C-R-E-T

DATE: 273 SE/DJB/43B / 09 JULY 1958

ROUTING			
1	EEG	4	RE
2	EEG	5	CEE
3	Ch	6	Cap

TO : DIRECTOR
 FROM : BONN
 ACTION: EEG
 INFO : FI/RQM 3, S/C 2

1) elw 1 J20
 2) 2A
 3) C/WEST-fl

JUL 10 1838Z 58

ROUTINE

IN 13180

f: Krueger 201

TO DIR INFO FRAN CITE BONN 7229
 CALL
 RE DIR 30233 (OUT 96630) * *no filing*

re EEG for 7229

PREFER HOLD OFF ON THIS PENDING RENDAR RETURN FROM ACTIVE DUTY JULY 14.

END OF MESSAGE

CS COMMENT: *ODACID WISHED PASS BONN 7112 (IN 42138) FOR FOLLOW UP BY DUSSELDORF CON GEN.

DECLASSIFIED AND RELEASED BY
 CENTRAL INTELLIGENCE AGENCY
 SOURCES METHODSEXEMPTION 3021
 NAZI WAR CRIMES DISCLOSURE ACT
 DATE 2006

S-E-C-R-E-T

9 July 1958

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED.

Copy No.

BEST AVAILABLE COPY

DATE : 336 SE/DLD/ps/cw
24 JUL 58

CLASSIFIED MESSAGE

S-E-C-R-E-T

ROUTING			
1	EEG	4	RE
2	EEG	5	CFE
3	CR	6	COF

TO : DIRECTOR
FROM : BONN
ACTION: EE 6
INFO : F1/RQM 3, S/C 2

;) c/w at/w

JUL 24 2224Z 58

ROUTINE

7. Supp...

IN 19911

TO DIR INFO FRAN CITE BONN 7308

CALL

- REF A. DIR 30233 (OUT 96630) *no R/Ring indicator*
- B. BONN 7229 (IN 13180)

RE EEG's for Reitz

ADVISE ODACID WE PASSING DUESSELDORF LOCALLY.

END OF MESSAGE

C/S COMMENT: *ODACID WISHED PASS BONN 7112 (IN 42138) FOR FOLLOW UP BY DUSSELDORF CON GEN WHO IN TOUCH BEITZ.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHODS EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

S-E-C-R-E-T

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED. Copy No.

24 July 58

BEST AVAILABLE COPY

RAC/RAC/174 RLQ/RAC/RAC/EEB
DATE . 5 AUG 58

CLASSIFIED MESSAGE

S-E-C-R-E-T

ROUTING	
1	EEG 4 CE
2	EEG 5 CEE
3	CHW 6 CAP

AUG 5 1506Z 58

ROUTINE

IN 24541

TO . DIRECTOR
FROM . BONN
ACTION: EE 6
INFO . FI, FI/OPS, FI/RQM 3, S/C 2

1) C/WEST/JW.

2: Kuupp 201.

TO DIR INFO FRAN CITE BONN 7361
CALL

RE DIR 30233 (OUT 96630) - *no filing written J.W.*
BONN 7229 (IN 13180) - *C/W - no filing indicated*

HAVE PREPARED SANITIZED VERSION FOR PASSING LOCALLY TO TASCA AND LUDDEN.
END OF MESSAGE

C/S COMMENT: * ODACID WISHED PASS BONN 7112 (IN 42138) INFO FOR FOLLOW UP BY DUSSEL DORF CON GEN WHO IN TOUCH WITH BIETZ.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3026
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

S-E-C-R-E-T

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED

5 August 58
Copy No. 3

BEST AVAILABLE COPY

OFFICIAL USE ONLY

K. RUPP

FOREIGN SERVICE DESPATCH

FROM: EMBASSY : CNN
TO: THE DEPARTMENT OF STATE WASHINGTON

Handwritten notes:
61-62041-1457
DEPARTMENT NO. 239
AUGUST 14, 1958
Krupp file

17

Handwritten routing:
Rmk-2 Rep-1 IRC-8
ZUR-9 ICA-10 SEC-1
USIA-10 OCB-1 Com-10 ARB-2 TAR-2
TR-3 XMB-4 OSD-4 Army & Navy-3 Am-1
G-8

ATTACHED, AS ENCLOSURE NO. 1 OF THIS DESPATCH, IS A MEMORANDUM DESCRIBING THE DISCUSSION WHICH TOOK PLACE WITH ERTHOLD LEITZ, GENERAL MANAGER FOR ALFRIED KRUPP, AT THE HOUSE OF MINISTER TASCA SHORTLY FOLLOWING THE RETURN OF MR. LEITZ FROM A BUSINESS TRIP TO MOSCOW.

AS THE DEPARTMENT WILL RECALL (EMBASSY DESPATCH NO. 2192, JUNE 6, 1958) THE PRESS AT THAT TIME REPORTED THAT LEITZ HAD CONCLUDED CONTRACTS FOR KRUPP WITH SOVIET TRADE ORGANIZATIONS FOR DELIVERY OF MACHINERY FOR THE PRODUCTION OF SYNTHETIC FIBERS VALUED AT DM 50 MILLION. REPORTEDLY KRUPP EXPECTED ADDITIONAL ORDERS FROM THE SOVIETS, PARTICULARLY FOR MACHINES NEEDED IN THE CHEMICAL INDUSTRY.

THE INFORMAL EVENING DISCUSSION, DESCRIBED IN THE MEMORANDUM ATTACHED, PROVIDED THE OPPORTUNITY TO LEARN MORE ABOUT THE VIEWS HELD BY MR. LEITZ.

FOR THE AMBASSADOR

HENRY J. TASCA
MINISTER FOR ECONOMIC AFFAIRS

DISTRIBUTIONS

A-1
LOM
FCL
ECON
AS CON GENERAL, LUESSELDORF

FOR COORDINATION WITH State

ECON:COCKEY:JM

OFFICIAL USE ONLY

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

BEST AVAILABLE COPY

DECLASSIFIED
Nazi War Crimes Disclosure Act
PL105-246

By: [Signature] Date: 1/17

OFFICIAL USE ONLY

PAGE-1 OF
ENCLOSURE NO. 1
OF DESPATCH 259
AUGUST 14, 1958
JOHN, GERMANY

MEMORANDUM FOR THE RECORD

13 JUNE 1958

ON THE EVENING OF 12 JUNE 1958, MINISTER TASCA ENTERTAINED AT HIS HOME KRUPP PLENIPOTENTIARY LEITZ AND KRUPP'S OWN REPRESENTATIVE, LUECKE. MESSRS. SCHWARTZ, FIRST SECRETARY, AND FLOTT, SECOND SECRETARY, OF THE POLITICAL SECTION WERE ALSO INVITED.

THE MAIN IMPRESSIONS OF THE EVENING WERE (1) THAT LEITZ WAS VERY MUCH ON THE DEFENSIVE ABOUT HAVING BEEN IN MOSCOW, AND (2) THAT HE WAS VERY MUCH IN FAVOR OF GERMAN AID TO POLAND. HE TOLD MINISTER TASCA, HALF IN JEST BUT WITH A BACKGROUND OF CONCERN, THAT HE WAS AFRAID TASCA WOULD NO LONGER SPEAK TO HIM AFTER THE TRIP. HE INDICATED THAT GERMAN OFFICIAL CIRCLES THOUGHT BADLY OF HIS HAVING MADE THE TRIP. HE DEFENDED HIS ACTIONS, HOWEVER, AND SAID HE THOUGHT HIS TRIP FULFILLED A USEFUL PURPOSE, EVEN THOUGH, AS HE SAID, HE WAS NOT LOOKING FOR BUSINESS IN THE USSR. HE WENT TO GREAT LENGTHS TO SHOW THAT OTHERS WERE DOING BUSINESS WITH THE EAST, NOTABLY THAT THERE WERE BRITISH, FRENCH AND AMERICAN TRADE GROUPS IN MOSCOW WHILE HE WAS THERE. WHILE THE FORMER TWO HAD IN FACT WON IMPORTANT CONTRACTS, IT WAS POINTED OUT TO LEITZ THAT THE AMERICAN GROUP WAS MERELY A STUDY GROUP FROM THE METALLURGICAL INDUSTRY, AND ITS PRESENCE THERE COULD IN NO WAY BE EQUATED TO THE OTHERS, AS LEITZ HAD TRIED TO DO IN ONE OF HIS PRESS CONFERENCES UPON HIS RETURN TO GERMANY. LEITZ, IN EFFECT, ADMITTED THAT HE HAD BEEN CITING THE FACT THAT THE NOT-AT-ALL-COMPARABLE AMERICAN GROUP WAS THERE IN ORDER TO DEFLECT CRITICISM FROM HIMSELF.

ON THE MATTER OF POLAND, LEITZ SAID HE FELT STRONGLY THAT THE GERMANS "SHOULD DO SOMETHING FOR POLAND," SHOULD MAKE SOME KIND OF A GESTURE OF ECONOMIC AID. HE SEEMED VERY INVOLVED EMOTIONALLY WITH THE IDEA OF HELPING POLAND; HE HAD SERVED IN POLAND DURING THE WAR, HAD VARIOUS POLISH FRIENDS, AND WAS BRINGING A POLISH STUDENT OF MUSIC TO GERMANY TO STUDY THIS SUMMER OR FALL. HE SAID THE FOREIGN OFFICE WAS TOO SLOW AND UNIMAGINATIVE IN CONNECTION WITH A POLISH PROGRAM.

LEITZ IS NOT REALLY KNOWLEDGEABLE ON THE USSR AND GENERALLY LACKS BACKGROUND IN SOVIET ECONOMIC ORGANIZATION. MANY OF HIS OPINIONS OR COMMENTS ON THE SOVIET SCENE WERE EITHER TRUISMS OR OBVIOUS MISUNDERSTANDINGS; FOR EXAMPLE, HE SAID THAT OFFICIALS OF THE DISSOLVED PRODUCTION INDUSTRIES WERE RELUCTANT TO ACCEPT PROVINCIAL ASSIGNMENTS AND THAT THE SOVNARHOZ SYSTEM (THE REGIONAL ECONOMIC UNITS) WAS HAVING GROWING PAINS AND MAY IN THE LONG RUN BE LESS EFFICIENT THAN THE FORMER TIGHTLY-RUN, CENTRALIZED ECONOMY. HE SAID THAT THE POLITRUKS (SIC) AND POLITICAL AGENTS IN GENERAL HAD BEEN ELIMINATED FROM THE PLANTS BECAUSE ALL SUPERVISORY EMPLOYEES ARE NOW FULLY TRAINED POLITICALLY AND FULLY RELIABLE.

OFFICIAL USE ONLY

BEST AVAILABLE COPY

OFFICIAL USE ONLY

PAGE 2 OF
ENCLOSURE No. 1
DESPATCH No. 259
LONN, GERMANY

HE DID FEEL STRONGLY THAT THE SOVIETS WERE REALLY MAKING A SERIOUS EFFORT TO INCREASE THE OUTPUT OF CONSUMER GOODS, AND THAT CHARACTERISTICALLY THEY WERE MAKING A MAJOR AND SPECTACULAR EFFORT IN ONE SECTOR, NAMELY, ARTIFICIAL FIBERS FOR CLOTHING. HE FELT THERE WAS NO HIDDEN SIGNIFICANCE IN THIS CHOICE, AND SAID HE COULD THINK OF NO CRITICAL OR DIRECT MILITARY USE FOR THE PLANTS KRUPP WAS DELIVERING. EXCEPT FOR FAIRLY CASUAL INQUIRIES ABOUT DIESEL LOCOMOTIVES, THE SOVIETS INDICATED NO INTEREST IN PURCHASING ANY MACHINERY FROM KRUPP OTHER THAN THE FIBER PLANTS. LEITZ SAID THAT THE PLANTS WOULD BE PAID FOR IN D-MARKS IN THREE STEPS: ON SIGNING OF THE CONTRACT, ON PARTIAL COMPLIANCE, AND ON COMPLETION. THE SOVIETS, HE SAID, NEVER BROUGHT UP THE MATTER OF CREDIT, AND THERE IS NO CONNECTION BETWEEN THE MAJOR KRUPP SYNTHETICS DEAL AND THE LAHR ECONOMIC AGREEMENT SIGNED IN LONN LAST SPRING.

THE PLANTS THAT KRUPP SUPPLIED WILL PRODUCE NYLON, PERLON AND DACRON. THEY WILL BE LOCATED AT TULA, KUYBYSHEV AND MOSCOW. THEY WILL BE COMPLETED EARLY 1950.

LEITZ SAID HE WOULD TELL AS MANY PEOPLE AS HE COULD THAT HE FEELS TRADE OF THE SORT KRUPP IS ENGAGING IN ACHIEVES A PENETRATION OF THE SOVIET BLOC, RATHER THAN THE REVERSE. FURTHER, HE FEELS THAT GERMANY SHOULD MAKE A HUNDRED MILLION MARK LOAN TO POLAND BECAUSE THE POLISH NEED IS GREAT AND BECAUSE A GERMAN GESTURE AT THIS TIME OF GREAT POLISH NEED WOULD BE HISTORICAL AND LONG-REMEMBERED AND WOULD HELP HEAL THE WOUNDS OF THE PAST. HE SAID GERMANY IS MORALLY OBLIGATED (AND HE REALLY SEEMED TO FEEL AND BELIEVE THIS) TO DO SOMETHING FOR POLAND, AND THAT EVENTUAL REPAYMENT BY THE POLES WAS NO LESS LIKELY THAN BY "EGYPTIANS, INDONESIAIS AND THE LIKE." POLAND IS WESTERN-ORIENTED AND THE SITUATION THERE COULD EVOLVE VERY FAVORABLY. THE SOVIETS WOULD NOT LIKE SUCH A LOAN TO GO TO POLAND, BUT THEY COULD NOT STOP IT. LEITZ FELT THAT THE ONLY HOPE OF CHANGE IN THE SOVIET UNION WAS THAT CHANGE WOULD SPREAD TO IT FROM THE SATELLITES, AND THE LIKELIHOOD OF ALL THIS WOULD BE ENHANCED BY THE EFFECTS OF A LOAN.

LEITZ EXPRESSED A CERTAIN CONTEMPT FOR "CERTAIN GERMAN MANAGERIAL TYPES WHO ARE SO EAGER TO MAKE BUSINESS TRIPS TO AMERICA AND OTHER ATTRACTIVE OR EXOTIC PLACES" BUT WHO NEGLECT SUCH CRITICALLY IMPORTANT AREAS AS ERLIH AND POZNAN AND WARSAW. HE FEELS THAT GERMANY SHOULD ESTABLISH DIPLOMATIC RELATIONS WITH POLAND, AND FEELS THE FEDERAL GOVERNMENT AND THE FOREIGN OFFICE ARE DEPLORABLY PASSIVE, BACKWARD AND UNDECIDED ABOUT THIS, WITH BRENTANO BEING THE WORST OFFENDER.

IN ONE OF HIS MORE ALARMING STATEMENTS OF THE EVENING, LEITZ SAID HE FELT THAT THE FEDREP MUST SOON TALK WITH PANKOV ON REUNIFICATION, EVEN IF THERE ARE NO PROSPECTS FOR SUCCESS, TO MAKE IT CLEAR THAT

LIMITED OFFICIAL USE

BEST AVAILABLE COPY

OFFICIAL USE ONLY

PAGE 3 OF
ENCLOSURE NO. 1
DESPATCH NO. 279,
LONN, GERMANY

WEST GERMAN STUBBORNNESS IS NOT WHAT IS HOLDING UP REUNIFICATION. THE EMBASSY OFFICERS PRESENT TOOK EXCEPTION TO THIS, AND ARGUED AGAINST THIS APPROACH AT SOME LENGTH.

LEITZ SAID HE HAS SEEN BOTH AMERICAN AND SOVIET INDUSTRY AND IS ABSOLUTELY CONFIDENT THAT THE WEST HAS NOTHING TO FEAR IN PROLONGED COMPETITION, IN SPITE OF THE SPECTACULAR SOVIET PERFORMANCES WHICH RESULT WHEN THEY CONCENTRATE THEIR EFFORTS IN ONE SECTOR, AS SPUTNIKS.

THE HERRENBERG WAS ON A FRIENDLY, ALMOST JOVIAL NOTE THROUGHOUT, AND ESPECIALLY WHEN IT ENDED. LEITZ INDICATED A GENERAL WILLINGNESS TO ALLOW SOME APPROPRIATE EMBASSY OFFICER, PREFERABLY ONE KNOWLEDGEABLE ON THE SOVIET ECONOMY, TO INTERVIEW KRUPP DIRECTOR KALLEN AND KRUPP SOVIET SPECIALIST WREDE, BOTH OF WHOM HAVE SPENT MUCH MORE TIME IN THE SOVIET UNION THAN LEITZ, WHEN THEY RETURN FROM MOSCOW.

OFFICIAL USE ONLY

BEST AVAILABLE COPY

671 IM/WB/W...
ORIG :
UNIT :
EXT : 8054
DATE : 21 AUGUST 1958

CLASSIFIED MESSAGE
SECRET

ROUTING			
1	G	4	
2	B	8	
3	Ch	6	

21 59256

DEFERRED	PRIORITY	DEFERRED
X ROUTINE	OPERATIONAL IMMEDIATE	DEFERRED

OUT 8784 LA
DIR 26390

TO : CABLE SECRETARIAT
FROM : DIRECTOR, GINNY, SR
CONF : SR 6
INFO : COP, CI, CI/OPS, CI/IC, FI/RQM 3, EE, S/C 2

TO : CABLE SECRETARIAT INFO CITE DIR

PLEASE TRANSMIT DIR 26390 (OUT 8784 LA) AS INFORMATION TO FRANKFURT BASE. ^{11 June 58}

END OF MESSAGE

C/S COMMENT: *THIS CABLE PASSED S/C AT 2159Z 15 AUG 58 FOR RELAY AS REQUESTED.

7 | Alfred Krupp 201 - W-5

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHOD EXEMPTION 332E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

COORDINATING OFFICERS
SECRET
RELEASING OFFICER

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED

BEST AVAILABLE COPY



Die Welt
14 Aug 1968

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

BEST AVAILABLE COPY

CN 590

1958 AUG 24 PM 5 15

OUTGOING
TELEGRAM AIRGRAM
INDICATE: collect
 transfer to

Department of State

H-1866

CONFIDENTIAL

SENT TO: SECSTATE, WASHDC
FROM: AMEMBASSY, BONN
RPTD INFO: AMEMBASSIES LONDON and PARIS, LUXEMBOURG FOR ECSC
NO: G-132 **AUGUST 22, 1958**

SS Ref Department's airgram G-39, Embtel 27, and Emb desp 131.

W
G
SP In meeting on August 19 with British and French representatives on AHC
C Law 27, British representative informed us his Government had now come to follow-
L ing conclusions: (a) It will probably be impracticable for Fed Rep to furnish
INR acceptable progress report data on Vereinigte Stahlwerke prior to the expiration
UOP of the terminal dates for Krupp January 31 and March 15, 1959; (b) UK Government
WMSC would like to avoid creation of a Mixed Committee to consider application for
E extension as required by Article I, Chapter One, of Settlement Convention signed
in Paris October 23, 1954; (c) Prompt action, in no case later than end of
October, will be required to avoid creation of such a Mixed Committee.

IRC
DCL UK, therefore, proposes that Krupp case be handled separately and exchange
of letters be effected with Fed Rep having purpose of releasing Fed Rep from
Settlement Convention obligations insofar as Krupp is concerned. Similar release
with respect to Vereinigte Stahlwerke would be effected whenever final progress
report received and accepted by Three Powers.

ICA
OCB British further said that they would circulate the draft of a letter in
CIA reply to the Chancellor's letters to Dulles, McMillan and Mollet of February
1957, for discussion among the Embassies.

With respect to Dept's G-39, French representative said no further word had
been received from Paris in addition to that already reported Embtel 27. French
Rep, however, plans personally visit Paris within a week and carry with him draft
letter along lines UK suggestion and obtain definitive French Govt views at that
time.

Drafted by: ECON:EEGetzin *EE* Teletype transmission used: ~~XXXXXXXXXX~~ AUTH: ECON:Henry J. Tascia

Comments: COORD:PA/L - Mr. Waldstein *W*
CN 590

CONFIDENTIAL

UNLESS "UNCLASSIFIED"
REPRODUCTION FROM THIS
COPY IS PROHIBITED.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3821
NATIONAL WAR CRIMES DISCLOSURE ACT
DATE 2008

BEST AVAILABLE COPY

DECLASSIFIED
Nazi War Crimes Disclosure Act
PL105-246

By *MAZ* Date *1/8/7*

CONFIDENTIAL

Embassy continues feel it would be most undesirable to handle Krupp case separately. We do not share British view that it will be impracticable for Fed Rep to give the desired information prior January 31, 1959. When we asked Foreign Office for this information on July 21, we gained impression that Foreign Office would be able to give a report containing at least some of the information desired and intended to do so in a relatively short time. Therefore, we indicated to British that for the time being we perceive no necessity of preparing separate action on Krupp. We intend to talk to Foreign Office about this matter before the end of September if no report received by that time.

BRUCE

RECEIVED
CHICAGO

CN 590

CONFIDENTIAL

BEST AVAILABLE COPY

COORDINATION WITH State

Declassified and Approved for Release by the Central Intelligence Agency Date: 2001

NAZI WAR CRIMES DISCLOSURE ACT

Air PRIORITY

CONFIDENTIAL (Security Classification)

DO NOT TYPE IN THIS SPACE

FOREIGN SERVICE DESPATCH

Handwritten notes: (J. Krupp) 19/7-36, 7622-34, 503

FROM: Embassy, Bonn

TO: THE DEPARTMENT OF STATE, WASHINGTON.

September 30, 1958

REF: GERP for Germany, Section D, Items 1-A-1 and IV-3; G-256 of September 30, 1958

For Dept. Use Only	ACTION	DEPT.
	REC'D	OTHER
	10/6	11-7-1, RM/IR 2, IRC-F, E-7, L-2, ICN-10, W/HSC-3 CIA-12, GOM-10, TR-3, OSD-4, OSD-4, ARMY-4

SUBJECT: AHC Law 27

As stated in Bonn's G-256 to the Department, representatives of the British Embassy asked our opinion of a draft letter they have prepared for the purpose of terminating Allied interest in completion of the sales obligations imposed on Alfred Krupp pursuant to AHC Law 27. A copy of this draft letter, which is attached as Enclosure No. 1, was sent us on September 11; copies have also been sent to the British Foreign Office and to the French Embassy at Bonn, but no indication of the reaction of either office has yet been received.

The British Embassy representatives propose to send letters from the Allied Ambassadors to the German Foreign Minister as replies to Chancellor Adenauer's letters of February 1957 to French Premier Mollot, the British Foreign Minister, and Secretary of State Dulles. We doubt whether it would be proper to attempt a solution of a matter which is embodied in the Settlement Convention and has treaty status in France, Germany and the U.K., and is an executive agreement on the part of the U.S., by an exchange of letters between Ambassadors and the German Foreign Minister. Because it might be necessary to publish the correspondence by which Allied interest in Law 27 is terminated, we are reluctant to make reference to the Chancellor's letters in that he refers to political difficulties facing the Federal Government before the elections which took place in the fall of 1957 and the alleged lack of legal means in the Federal Republic to force sales. Further, we do not believe that the Chancellor's letters were documents which demand replies. Finally, we see no useful purpose in referring to the enterprises involved when we are dealing with a general obligation which the Federal Government assumed in the Settlement Convention.

In our opinion, it would be preferable for the settlement of Law 27 to take the form of Allied Government announcements to the Federal Government that the Allies no longer hold the Federal Government obliged to fulfill the obligations imposed on it in Article 9 of Chapter One of the Settlement Convention. Such an announcement would call attention to the Federal Government's obligations arising under Article 9, state the reasons why the Allied Governments believe that the conditions requiring the imposition of these obligations no longer obtain, and announce that the Allied Governments release the German Federal Government from

its obligation

REPORTER: E/REC: [Signature], Jr., shot

CONFIDENTIAL

30 Sept 1958

DECLASSIFIED AND RELEASED BY INFORMATION COPY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2006

BEST AVAILABLE COPY

CONFIDENTIAL

Page 2
Dispatch No. 503
From ROOM
September 30, 1958

the obligation to ensure that the remaining sales obligations are carried out. A draft note in this sense has been prepared and is attached as Enclosure No. 2.

The British Embassy representatives also say that their Government desires to ward any Allied release of interest in the fulfillment of Law 27 in a manner which would obviate the possibility of lawsuits being brought against the British Government by persons alleging to have bought of sold shares solely on the assumption that the Governments would insure upon the completion of all sales obligations; they state this is a major reason for the length of their draft letters. For this reason, they would like to see a letter sent to Chancellor Adenauer for the purpose of protesting themselves from lawsuits even if the Allies send a note, as we propose. We are inclined to think that the British are looking for trouble in that Article 9, paragraph 2, of Chapter One of the Settlement Convention already vests in the Federal Government the responsibility for ensuring that sales obligations are completed.

As reported in Rich's D-111, July 25, 1948, the German Foreign Office representatives whom we saw on July 24 had not yet considered the formal legal measures that might be necessary to terminate Law 27 as domestic German legislation. They were inclined to think, on the spur of the moment, that termination of Law 27 and the sales obligations issued thereunder could be accomplished by an executive act. We wonder whether a letter of comment as specified in Article 1, paragraph 1, of Chapter One of the Settlement Convention, will be necessary.

Requests:

The Department is requested to:

1. Advise us urgently of its reaction to the British draft letter, as we expect to be asked to comment on it in the near future.
2. Consider the draft note which we prepared to terminate Allied interest in the enforcement of Law 27 sales obligations and inform us of manner in which the Department believes such termination should be made.
3. Advise us whether it believes that the Allies should express an interest in the method whereby the Federal Government would terminate Law 27.

For the Ambassador:

William C. Oshay

William C. Oshay
Counselor of Embassy
for Consular Affairs

CONFIDENTIAL

BEST AVAILABLE COPY

CONFIDENTIAL

Page 3
Despatch No. 503
From BOM
September 30, 1950

DISTRIBUTION:

Ambassador Bruce 1	
DCM - Mr. Trumble	1
POLeLeg	3
BOM	2
R/NEC	6
Ambassy London	2
Ambassy Paris	2
Luxembourg for U/NEC	1

CONFIDENTIAL

BEST AVAILABLE COPY

Page 1 of Enclosure # 1
Description No. 507, dated
September 30, 1958.
Aachenberg, Bonn.

CONFIDENTIAL

Your Excellency,

I have the honor to refer to the Federal Chancellor's letter to the Prime Minister of February 21, 1957 in which the request was made that the obligations on the German coal and steel industries to sell assets, pursuant to Allied High Commission Law No. 27 should be considered and compiled with.

The Federal German Foreign Office has communicated to the Ministers of the Three Powers in Bonn information concerning the present state of these obligations in so far as they refer to the former firm Friedl, Krupp. On the basis of this information, and after consultation with the governments of France and the United States, Her Majesty's Government are now in a position to give an opinion on the Federal Chancellor's request in so far as it concerns the former firm Friedl, Krupp.

In forming their conclusion, Her Majesty's Government have taken into consideration the following factors:

- (1) All the reorganization measures under Law 27 in respect of the formation of new, and the reorganization of existing, enterprises have been carried out.
- (11) The following imposed conditions to sell have been fulfilled.
 - (a) Participation in the Bismarck-Lippe Bergbau A.G.
 - (b) Participation in the Hertz-Jahn-Straubergbau A.G.
 - (c) Participation in the Bergbau A.G. Constantin der Grosse.

In addition, under the de-concentration plan, the following assets of the firm Friedl, Krupp have been separated:

- (a) 1/2 debentures of 11 million DM each to 4 children of the von Boblen und Halbsach family.
- (b) Capito & Klein (Sheet metal rolling mill in Pommersdorf), owned half each to the children of Ingrid von Boblen und Halbsach and to the son of the deceased Claus von Boblen and Halbsach.
- (c) Participation in the Westfälische Drehtischwerke owned half each to the children of Ingrid von Boblen und Halbsach and to the son of the deceased Claus von Boblen und Halbsach.
- (111) There remain, subject to the imposed condition to sell:

CONFIDENTIAL

BEST AVAILABLE COPY

- (a) The 100% participation of the firm Fried. Krupp in the Mittew-und Bergwerke Rheinhausen A.G. This company is a holding company which own the total share capital of the Mittewerke Rheinhausen A.G. (100 million DM), the Bergwerke Essen-Roesseruy A.G. (share capital 30 million DM) and 50% of the 15 million DM share capital of the Karw-Lahn-Kruebergbau A.G.
- (b) The 100% participation in the Stahlnohlen-Bergwerk Hammer Hamdtal A.G.

Her Majesty's Government have also taken note of the following opinions of the Federal Government, who have been responsible since the signing of the Paris Agreement for the carrying out of the deconcentration plans:

- (1) That owing the close affiliation in the past between the Stahlnohlenbergwerk Hammer-Hamdtal A.G. and the Mittew- und Bergwerke Rheinhausen A.G., the shares of the former company could for economic reasons be sold only to those of the latter.

- (11) That if, as the Federal Government considers unlikely, a purchaser could be found for these two concerns who could pay a price which could be considered economically tolerable as provided for in Article 10, para. 4, of Chapter 1 of the Convention for the Settlement of Matters arising out of the War and the Occupation it is extremely unlikely that sufficient extra capital would be found to provide for the extensive capital investments which are needed in both enterprises in the interests both of the workers involved and general European coal and steel requirements in the foreseeable future.

Her Majesty's Government have been particularly influenced in their consideration of this question by the provisions of the Treaty concerning the establishment of the European Community for Coal and Steel, under which affliations can only take place with the approval of the High Authority which is only given if it is established:

- that the proposed action does not give the persons or enterprises concerned the possibility in respect of the persons or enterprises under their jurisdiction
- to determine the prices of those products in a considerable portion of the market to control or restrict production or distribution or to prevent genuine competition
- or to evade the application of the rules of competition resulting from the application of that Treaty, in particular by the creation of an

CONFIDENTIAL

BEST AVAILABLE COPY

AIR POUCH

Copy of Enclosure
No. 503 dated
November 40, 1958

artificial preferential treatment which would confer an important advantage in the access to the markets of the other member States of the Common Market.

When judging this situation, the Commission must take into consideration in accordance with the provisions of Article 4, paragraph b the advantages of the kind existing within the Community which are also justified in order to avoid or to reduce the disadvantages arising out of any inequality of the economic conditions (Article 66, Section 2 of the Treaty establishing the European Community for Coal and Steel).

Her Majesty's Government has a copy of this memo concerning possible connection between the *Wittgenstein-Bertholdson A.G.* and the *Bochum Verein* is at present before the High Authority.

Her Majesty's Government would like to express in Article 2 of Allied High Commission Law 27:

"that the enterprises listed or described in Schedule A [these include the firm of Fried. Krupp] shall be liquidated and reorganized with a view to the elimination of excessive concentrations of economic power which constitute a threat to international peace or to the maintenance of democratic government in Germany or which unreasonably restrain trade."

They believe that responsibility for preventing excessive concentrations of economic power which constitute a threat to international peace or to the maintenance of democratic government in Germany now rightly belongs to the Federal Government. Her Majesty's Government is also confident that the provisions of the European Coal and Steel Treaty and the proper ascent of the High Authority can be relied upon to prevent excessive concentrations which would unreasonably restrain trade. The High Authority has made plain that it has full competence and power to maintain this responsibility.

Her Majesty's Government has previously decided that, in regard to the firm of Friedrich Krupp, they will not insist on the implementation of Articles 9 and 10 of Chapter One of the Convention of the Settlement of Matters Arising out of the War and the Occupations to the extent that these provisions had not been implemented on the date of this letter. This decision is subject to the assumption by the Federal Government, in relation to Her Majesty's Government, of the responsibility for all the direct and indirect consequences of this decision, which has been taken at the express request of the Federal Chancellor.

CONFIDENTIAL

BEST AVAILABLE COPY

CONFIDENTIAL

Page 4 of Enclosure #1
Despatch No. 503, dated
September 30, 1958

It should be understood that this decision shall not be construed as affecting any other obligation provided or maintained by the aforesaid Convention, particularly not the validity of the provisions under which deconcentration measures with regard to firms other than the firm of Friedrich Krupp are to be carried out.

I should be grateful for your Excellency's confirmation that the Federal Government agrees with the arrangements set out in the preceding two paragraphs.

I avail myself of this opportunity to renew to Your Excellency the expression of my highest esteem.

The _____ Ambassador

CONFIDENTIAL

BEST AVAILABLE COPY

CONFIDENTIAL

Page 1
Enclosure No. 2
Despatch No. 503
From BOWEN
September 30, 1958

The Embassy of the United States of America presents its compliments to the Federal Ministry for Foreign Affairs of the Federal Republic of Germany and has the honor to refer to Article 9, of Chapter One, of the Convention on the Settlement of Matters Arising out of the War and Occupation, which was signed at Paris on October 23, 1954.

It will be recalled that Article 9 states that such Allied High Commission legislation concerning the reorganization of the German coal mining and iron and steel industries as was in force on the date of entry into force of the Convention shall be maintained in force insofar and so long as deconcentration measures ordered before that date are still to be carried out or claims are still to be protected. The Federal Government assumed the obligation to ensure that the measures referred to above were carried through to completion; however, these measures were to be without prejudice to such expansion or affiliation of enterprises as might be permitted under the Treaty on the Establishment of the European Community for Coal and Steel.

The Allied High Commission legislation referred to in Article 9, Chapter One, of the Convention had been enacted for the purpose of effecting a reorganization of the German coal mining and iron and steel industries in a manner which would obviate a pattern of ownership in these industries which would constitute excessive concentrations of economic power. It is the understanding of the United States Government that all reorganizations required in orders issued pursuant to Allied High Commission legislation have been completed.

The United States Government has noted with great pleasure the growth of the European Coal and Steel Community, of which the Federal Republic of Germany is a member, into a viable economic entity, as signified by the successful conclusion of the transition period on February 10, 1958. Cognizance is taken of the provisions regarding mergers of enterprises in the Treaty establishing the Coal and Steel Community and their effective enforcement by the High Authority of the Community. It is also noted that, although the High Authority has no responsibility with respect to the completion of the measures referred to in Article 9, of Chapter One, of the Settlement Convention, paragraph 3 of said Article specifies that the provisions of said Article shall be without prejudice to such expansion or affiliation of enterprises as shall be permitted under the Treaty establishing the Coal and Steel Community, and that certain expansions or affiliations of enterprises in the German coal mining and iron and steel industries have already been authorized.

It appears appropriate also to refer to the Federal Republic's adherence to the Treaty establishing the European Economic Community, which contains rules governing competition, and the Federal Law Against Restraints of Competition as evidence that the Federal Republic has renounced business practices that might lead to excessive concentrations of economic power which might be used in an abusive manner.

The United States Government understands that there remain for completion several sales obligations referred to in Article 9 of the Convention, but that fulfillment of these obligations would not materially change the pattern of ownership in the German coal mining and iron and steel industries and would be of little significance to the German economy. In the circumstances, and bearing

BEST AVAILABLE COPY

CONFIDENTIAL

Page 2
Enclosure No. 2
Despatch No. 573
From FONNY
September 30, 1958

in mind the factors cited in the two preceding paragraphs, the United States Government relinquishes its interest in fulfillment by the Federal Government of the obligations it assumed under Article 9 of the Convention. If the Federal Government acquiesces in this relinquishment of interest, it is assumed that the Federal Government will take any amendatory steps necessary under German legislation.

BEST AVAILABLE COPY

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2006

COORDINATION WITH State

NAZI WAR CRIMES DISCLOSURE ACT

⑦

GER: R. H. HARLAN

UNCLASSIFIED

862a.054/10.30
11 862a.331
862a.19

DEPARTMENT OF STATE
Telephone
Memorandum of Conversation

2 33

DATE: October 30, 1958

SUBJECT: Law 27 Decoconcentration; Drupp

MESSAGE CENTER

PARTICIPANTS: Mr. Arthur Brittenden, London Sun Express
Mr. Robert H. Harlan, GER:GMA

DRW
DFI
BI

COPIES TO: EIR (2)
GER
GMA
GER/P
RA
KARP

As: Embassy Bonn
As: Embassy London
As: Embassy Luxembourg

14

862a.331

Mr. Brittenden telephoned from New York to say that he had a call from his home office in London concerning the problem of the breakup of the Drupp empire which he understood was required under certain legislation by March of next year. Mr. Brittenden asked if Mr. Harlan could give him any background information concerning this general problem.

Mr. Harlan said that he was in no sense an expert on this problem and did not deal with it directly but would be glad to sketch in some general background information about which he was aware. He stated that the present situation in Germany arose out of earlier military government and Allied High Commission legislation with respect to decartalization and decoconcentration, particularly in the coal, iron and steel industries. When the Bonn Conventions were negotiated, provision was included in the so-called Settlement Convention for the Federal German Government to maintain in force the Allied High Commission decoconcentration legislation for so long as there remained to be carried out decoconcentration measures which had been ordered. Mr. Harlan observed that the vast majority of the decoconcentration orders have been carried out but there are a few remaining, including those involving some Drupp properties. The orders in question were to have been carried out 5 years after they entered into force, which was in March 1954, so that in the absence of any developments in the meantime these particular outstanding orders would have to be carried out by March 1959.

Mr. Brittenden

UNCLASSIFIED

BEST AVAILABLE COPY

UNCLASSIFIED

-2-

Mr. Brittenden said that his home office had asked him to check on stories circulating in London to the effect that the British and the U.S. were planning to make an approach to Krupp in the near future with proposals looking to a resolution of what seemed to be a stalemate. Mr. Harlan said he had not heard these stories and that they seemed implausible to him since the obligation under the Settlement Convention is one assumed by the Federal German Government and any discussions might be assumed to be the result of German initiative and would normally be expected to take place between representatives of the Federal German Government and the three signatories of the Bonn Convention, i.e. U.K., U.S. and France.

Mr. Brittenden said he had been over in Germany about 18 months ago writing a story on this subject and that he understood discussions had been going on at that time. Mr. Harlan observed that there have been continuing discussions of the general problem for many months - principally in Bonn. Mr. Brittenden asked if it would not be correct to assume that in view of the approaching March deadline for the breakup of the Krupp empire any action to be taken would have to be agreed on fairly soon. Mr. Harlan said this seemed reasonable and added that it might be appropriate to point out, by way of further background information, that it would be inaccurate to characterize the problem as one involving "the breakup of the Krupp empire" since, as he had noted earlier, a vast deconcentration program had actually been carried out and completed in West Germany and there were only a few deconcentration orders outstanding where action had not yet been completed. He added that it was also his recollection that a number of Krupp properties had been included in earlier deconcentration measures which had been carried out.

EUR:GER:EA:RH:Harlan:sm 10-30-56

UNCLASSIFIED

CEPL

BEST AVAILABLE COPY

BONN-7690
(IN 21160)
1 Nov 1958

CADORY POL ACTION

1. CALANATE LEARNED FROM FONOFF THAT CARDENAS VISITING FEDREP 3-5 NOV.
MEX EMB BONN PRESUMABLY ACTING ON INSTRUCTIONS, EXPLICITLY REQUESTED
FONOFF TAKE NO OFFICIAL COGNIZANCE CARDENAS NOR ATTEMPT INVOLVE HIM ANY
EVENTS WHICH MIGHT HAVE POLITICAL OVERTONES. CARDENAS TRAVELLING W/FAMILY
BUT REPORTEDLY STRICTLY BUSINESS TRIP IN C/W PURCHASE INDUSTRIAL EQUIPMENT
FOR MAJOR MEXICAN PROJECT. KRUFF HOST WHILE CARDENAS FEDREP.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B21
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

Filed: "Min. of Aff-
German Affairs"

1 Nov 1958

BEST AVAILABLE COPY

~~Declassified and Approved for Release~~
by the Central Intelligence Agency
Date: 2001

NAZI WAR CRIMES DISCLOSURE ACT

Krupp-Projekt in Holland

Neuchrichtendienst der WELT

hgk. Essen, 10. Dezember

Ein Hüttenwerk mit einer Jahreskapazität von zunächst 300 000 t Rohstahl soll in Holland gebaut werden. Die Firma Fried. Krupp, Essen, wird in den nächsten Tagen ein Vorprojekt abliefern, das sie im Auftrag der Stahlstudie Stichting ausgearbeitet hat. An dieser Studiengesellschaft sind außer der holländischen Regierung einige Banken, das Stahlwerk in Ymuiden sowie die späteren Zulieferer und Abnehmer des Hüttenwerks beteiligt.

Die Kosten für das Projekt werden auf rund 380-400 Mill. Gulden beziffert. Bei diesem Aufwand wäre die Anlage jedoch schon zu einem Teil auf eine größere Kapazität als die zunächst geplanten 300 000 t zugeschnitten. Es ist daran gedacht, in der zweiten Aufbaustufe auf 1 Mill. t jährlich und später auf zwei bis drei Mill. t zu gehen.

Die Welt, 11 Dec 58

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2006

BEST AVAILABLE COPY

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2001

NAZI WAR CRIMES DISCLOSURE ACT

Krupp-Schlieker-Gemeinschaft

W. Th. DÜSSELDORF, 11. Dezember (Eigener Bericht). Wie erst jetzt bekannt wird, haben Willy H. Schlieker und die Firma Fried. Krupp zusammen mit einer nordamerikanischen Bank und einer Versicherungsgesellschaft unter dem Namen Atlantic Bulk Carriers Inc. mit dem Sitz in Monrovia eine Schiffahrtsgesellschaft gegründet, die sich vornehmlich oder ausschließlich dem Ertransport widmen soll. Die Schlieker-Gruppe und die Firma Fried. Krupp sind daran mit je 37,5 Prozent beteiligt. In die restlichen 25 Prozent teilen sich eine nordamerikanische Bank und die amerikanische Versicherungsgesellschaft National Mutual Security. Die Krupp'sche Beteiligung wird von einer Tochterfirma des Essener Unternehmens repräsentiert, und zwar von der erst kürzlich gegründeten Ista Incorporated Panama, die als Holding die Krupp-Beteiligungen in Amerika verwaltet. Die amerikanischen Gesellschafter der Atlantic Bulk Carriers sollen vornehmlich an der Finanzierung einer Ertransportflotte, die auf der Werft von Schlieker in Hamburg in Auftrag gegeben ist, interessiert sein.

F. J. R. in process

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2006

12 Dec 55

BEST AVAILABLE COPY

~~Declassified and~~ Approved for Release
by the Central Intelligence Agency
Date: 2001

NAZI WAR CRIMES DISCLOSURE ACT

**Boon informiert London
über Fusion bei Krupp**
Von unserem Korrespondenten
- von Bonn, 9. Januar

Die Bundesregierung steht in ständiger Verbindung mit der britischen Regierung wegen des von der Hobas Behörde genehmigten Zusammenschlusses der Bodunmer Verein für Gießstahlfabrikation AG mit der Hütten- und Bergwerke Rheinhausen AG, deren Kapital sich in Krupp-Besitz befindet. Ein Sprecher des Auswärtigen Amtes wies darauf hin, daß die Hobas Behörde die Genehmigung zur Verhinderung einer künftigen Machtkonzentration nur mit gewissen Auflagen erteilt habe. So müssen Investitionen bei beiden Gesellschaften der Behörde gemeldet und von dieser genehmigt werden. London hat bisher bei der Bundesregierung gegen den Zusammenschluß noch nicht protestiert.

Einem Bericht der „New York Times“ zufolge, hat die USA-Regierung gegen die Verschmelzung der beiden Unternehmen nichts einzuwenden. Die USA hielten sich wohl an das Abkommen zur Entflechtung der deutschen Schwerindustrie gebunden, seien aber der Ansicht, daß die genannte Fusion nicht unter das Verbot der Konzentration neuer wirtschaftlicher Macht falle. *Die Welt 10 Jan 59*

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2006

902 59

BEST AVAILABLE COPY

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2001

~~FOR~~ COORDINATION WITH ed State

NAZI WAR CRIMES DISCLOSURE ACT

OUTGOING TELEGRAM

INDICATE COLLECT
 CHARGE TO

Department of State

12 1 51

13

SENT TO: Amembassy LOHN
RPTD INFO: Amembassy PARIS
Amembassy LONDON
LUXEMBOURG LUXCO

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2006

46-11
Page
F F
Info
LMB
SS
W
C
SP
C
I
LNR
H
P
OP
E
LFC
DCL
DCL
SEA
OCB
S-51A
LFA

Embtl 1447

1. Dept suggests Embassy take following line in response press inquiries on recent developments re Krupp and Low. As stated in High Authority press release, HA has acted within authority granted under Art. 66 CSC Treaty in approving proposed Rheinhausen purchase of majority shares Bochumer Verein. Chapter I, Article 7, Para. 3 of Convention on Settlement of Matters Arising Out of War and Occupation specifically provides that provisions of Convention relating to deconcentration "shall be without prejudice to such expansion or affiliation of enterprises of German coal mining and iron and steel industries as shall be permitted under Treaty on Establishment of European Community for Coal and Steel." Inasmuch as approval by HA falls within foregoing provision there would be no basis under Settlement convention for objecting to proposed purchase of Bochumer Verein shares. Re deconcentration Federal German Govt has pointed out to British, French, and US Govts that very substantial difficulties lie in way of completing residual

Drafted by: EUR:OER:GEA:JDevine:jg
L/EUR:RKearney 1/12/59

Telegraphic transmission and classification approved by Martin J. Hillenbrand

Character: RA - Mrs. Kupinsky (In draft) BP - Mr. Winter (In draft)

CONFIDENTIAL
UNLESS INDICATED OTHERWISE THIS DOCUMENT IS UNCLASSIFIED
BEST AVAILABLE COPY

CONFIDENTIAL

aspects. Discussions regarding these difficulties are presently being carried on among Four Powers.

2. Embassy requested inform British and French Embassies as well as Radioop above line before using it with press.

3. Dept would appreciate receiving, soon as possible Embassy's comments proposed British statement contained Deptel 1131.

CONFIDENTIAL

BEST AVAILABLE COPY

COORDINATION WITH STATE

NAZI WAR CRIMES DISCLOSURE ACT

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2006

INCOMING TELEGRAM

Department of State

47

CONFIDENTIAL

Action
EUR

Classification Control: 7550
Rec'd: January 14, 1959
8:06 p.m.

Info FROM: Bonn
RMR TO: Secretary of State
NO: 1487, January 14, 6 p.m.

SS
W
G
SP
C
L
IER
H
P
DOP
E
IRC
DCL

SENT DEPARTMENT 1487; REPEATED INFORMATION LONDON 329, PARIS 466,
LUXEMBOURG 48.

PARIS FOR EMBASSY AND USRO

LUXEMBOURG FOR EMBASSY AND LUXCO

Reference: Department telegram 1463

Embassy comments on British statement ABC 27 along following lines:

TCA
OCB
USIA
CIA

1. Now clear that no longer possible obtain agreed letter
terminating obligations to sell by January 31.

2. Extension of time prescribed settlement convention as
suggested by UK probably only feasible solution in interval
to January 31 that three powers can agree on.

3. In event Department accepts UK statement fixed terminal
date, say one year, should be specified and open and character-
istics thus eliminated. However, Embassy has doubts wisdom of
not abiding by terms of settlement convention regarding estab-
lishment of mixed commission. UK proposal presumably amounts
to amendment to settlement convention. In event no mixed
commission, then believe UK proposal should be treated defi-
nitely as such.

4. In any event, Embassy continues believe that Federal
Republic obligations should be terminated in writing
and British and French should clearly understand this.
Therefore, in agreeing to UK suggestion we should specify
our desire to continue work on draft letter which had been
under consideration with view to delivering it during course

CONFIDENTIAL of year
Classification

REPRODUCTION FROM THIS
COPY IS PROHIBITED
UNLESS UNCLASSIFIED

BEST AVAILABLE COPY

CONFIDENTIAL

-2- 1487, January 14, 6 p.m., from Bonn
of year when mutually convenient.

5. Appears important no association be publically made between proposed settlement and possible British or French moves, including British elections, or implication that postponement in any way related or sign of displeasure over HA decision on Rheinhausen-Bochumer.

6. With respect letter Embassy concurs in guidance received Krupp merger per Department telegram 1463 and in process coordinating statement with British, French and Federal Representatives.

BRUCE

MHC:DM/8

CONFIDENTIAL

BEST AVAILABLE COPY

AIR PRIORITY

UNCLASSIFIED
(Security Classification)

FOREIGN SERVICE DESPATCH

DO NOT TYPE IN THIS SPACE
8620.2552/1-1557
R. H. H. 13
XR 8 50/557

FROM : Amoenen DUESSELDORF
TO : THE DEPARTMENT OF STATE, WASHINGTON.
REF : CERP for Germany, Sec. D-VII-A-6, D-IX-B-1

169
DEPT. NO.

January 15, 1959
DATE

For Dept. Use Only	ACTION	DEPT.
	REC'D	IN OTHER
	1-19	100-10 IN-7 TAR-2 Com-10 LAB-5

SUBJECT: Krupp's Coal and Steel Production Capacity After Merger with Bochumer Verein.

The High Authority of the Coal and Steel Community has finally approved the merger of the Bochumer Verein fuer Guessestahlfabrikation AG., Bochum, with the Huetten- und Bergwerke Rheinhausen AG., the holding company for the coal and steel assets of the Krupp concern.

In the fall of 1957 the holding company had requested the High Authority's permission to acquire the majority holding in Bochumer Verein. The High Authority emphasized that judging the application of Rheinhausen exclusively by the economic criteria laid down in the Coal and Steel Treaty, it appeared that joint production capacities and deliveries will not enable the two companies to escape competition in the Common Market. The positive decision of the High Authority is bound, however, to the condition that future investments of the Bochumer Verein, as well as of the Huettenwerk Rheinhausen (the steel subsidiary of the Huetten- und Bergwerke Rheinhausen AG.) will require the High Authority's approval. The obvious reason for this condition is to keep the further development of the Krupp steel-complex under control.

The importance of the combined enterprises after the merger is evidenced by the fact that in the framework of the European Coal and Steel Community, the new Krupp concern will have a 3.0 percent share in hard coal production, a share of 4.4 percent in coke production, of 5.7 percent in pig-iron production, of 5.5 percent in crude steel production, and of 3.7 percent in finished rolling mill products.

The coal and steel group of the Krupp concern now consists of Huettenwerke Rheinhausen AG., Bergwerke Eszen-Roepenray AG., and Steinkohlenbergwerk Hannover-Hannibal AG., all 100 percent subsidiaries of the Huetten- und Bergwerke Rheinhausen AG. Bochumer Verein and the coal-mine Constantin der Groppe will soon be added as direct and indirect majority holdings. The annual output of both coal mines, Eszen-Roepenray and Hannover-Hannibal totals 3.8 million tons. The annual production of the coal mine Constantin der Groppe averages 2 million tons. Including the output of Constantin, the Krupp group will account for about 5 percent of total West German hard coal production. After the concentration, the enterprise's total coal resources will be large enough to satisfy 75 percent of its own coke requirements.

The annual crude steel capacity of the Huettenwerk Rheinhausen AG amounts to

CGSherry:lsalmars:jp

UNCLASSIFIED

INFORMATION COPY
Retain in divisional files or destroy in accordance with security regulations

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES/METHOD EXEMPTION
NAZI WAR CRIMES DISCLOSURE
DATE 2006

BEST AVAILABLE COPY

FOR COORDINATION WITH State

DECLASSIFIED
Nazi War Crimes Disclosure Act
PL105-246

By MLC Date: 1/17

8620
2552

UNCLASSIFIED
(Classification)

2.4 million tons. Production capacity of the Bochumer Verein totals 1.6 million tons. With a total capacity of 4 million tons of crude steel per annum, the Krupp concern will soon be the largest steel producers in West Germany.

Total sales of the Krupp concern during 1957 amounted to DM 3.43 billion. Sales of the Bochumer Verein during the business year 1956/57 reached DM 722 million. Total of over DM 4 billion would represent the largest sale's result yielded by a West German enterprise in 1957.

Raymond P. Ludden
American Consul General

Distribution

Boen/OA, Amsbassy, Bonn	(5)
Boen/NEC, " "	(2)
CCG, " "	(1)
Files & Records, " "	(1)
ECSO, Luxembourg	(1)
UNEO, Amsbassy, Paris	(2)
Amosgen Bremen, Frankfurt, Hamburg, Munich, Stuttgart	(1 ea.)
U. S. Mission, Berlin	(1)

UNCLASSIFIED

BEST AVAILABLE COPY

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2001

NAZI WAR CRIMES DISCLOSURE ACT

Alfried Krupp nach Japan
Nachrichtendienst der WELT
Essen, 18. Januar

Alfried Krupp von Bohlen und Halbach, Chef des Essener Unternehmens, wird im kommenden Frühjahr zu einer mehrwöchigen Reise nach Japan starten. Im vorigen Jahr war Alfried Krupp in Australien.

Personalien

Regierungsbeamter h. D. Arnold Knoblauch, von 1926 bis 1956 Vorsitz des Vorstandes der Gagjah Gemeinnützige AG für Angestellten-Heimstätten, wird am 18. Januar 88 Jahre alt. Unter seiner Leitung baute die Gagjah fast 100 000 Wohnungen, davon 30 000 Einfamilienhäuser. Knoblauch ist noch heute Vorsitz des Wohnungswirtschaftlichen Beirats beim Bundesministerium für Wohnungsbau, des Aufsichtsrats der Deutsche Bau- und Bodenkbank AG, des Aufsichtsrats der Otfa und der Heimga, München.

Hans Weber, Mitglied der Direktion der Mobil Oil AG in Deutschland, Hamburg, begibt am 17. Januar sein 25jähriges Dienstjubiläum.

Paul Keller, Mitglied des Direktiums der Firma Friedl. Krupp und Leiter des Zentralabteilungsverkaufes, vollendet am 18. Januar sein 88. Lebensjahr.

DECLASSIFIED AND RELEASED BY 100-100-100-100
CENTRAL INTELLIGENCE AGENCY 100-100-100-100
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

BEST AVAILABLE COPY

NAZI WAR CRIMES DISCLOSURE ACT

W-5

THE ECONOMIST JANUARY 17, 1939
GERMANY

The Krupp Merger

LAST week's merger between the Rheinhausen steel group and the Bochumer Verein carries on the process of reconcentration that has been going forward in the Ruhr for several years. The main medium-sized Ruhr firms—Mannesmann, Hoesch, Klöckner—have long since recombined coal with steel and steel with engineering. This Vereinigte (united) group, biggest of all before the war, has not regained its former size. But out of it have emerged three major groups, two owned by separate branches of the Thyssen family; each of the three produces 2 to 3 million tons of steel. Now the main steelworks in the Krupp group has merged with another descendant of Vereinigte. Under the allied deconcentration laws Herr Alfred Krupp was obliged to sell his holdings in coal and steel. As a result he sold his "Constantin der Grosse" coalmines to his Swedish friend, Hr Axel Wenner-Gren, who had already acquired control of the Bochumer Verein. Now both firms have been bought by the Krupp group and merged with the Rheinhausen steelworks, which Herr Krupp never sold. The combined group produces some four million tons of steel a year. The 3.8 million tons of coal it produces, mainly from the Constantin der Grosse mines, should cover 75 per cent of its ~~own~~ needs. A large proportion of its steel output will go to the engineering industries to which Herr Krupp has devoted his energies since the allies sought to keep him out of coal and steel.

The move has the consent of the High Authority of the European Coal and Steel Community. There is no political provision in the treaty which could justify rejection, and since other French and German firms in the community are already larger, there could not very well be a refusal on economic grounds. But a special and somewhat controversial order has been imposed on the new group: all investment must have the blessing of the High Authority.

The merger still offends the allied deconcentration order, which the west German government took over when it attained sovereignty and which is supposed to be in full effect by 1960. But Bonn is hardly likely to enforce it. Hitherto, Herr Krupp's main argument against carrying out the order has been that there was no one who could afford to buy. The new repurchase suggests that he is reasonably confident that it will lapse altogether. Whether he will succeed in getting a waiver on his personal commitment to the allies to give up the management, as well as the ownership, of his coal and steel works, remains to be seen. Hitherto Herr Krupp has kept his obligation on management, but he is not the only German to regard both provisions as economically unjustifiable, and imposed under

DECLASSIFIED AND RELEASED
CENTRAL INTELLIGENCE AGENCY
SOURCE METHODS EXEMPTION 3B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

BEST AVAILABLE COPY

SECRET

2. 3694

Executive Registry
11-867

MEMORANDUM FOR: Director of Central Intelligence
VIA: Deputy Director (Plans)
SUBJECT: Mr. Berthold Beitz, His Wish to See the DCI,
Ref PARI 4762 (IN 10187) 21 January 1959

1. This is for the information only of the DCI.
2. Mr. Berthold Beitz is presently General Manager of the Krupp Industries and reportedly holds power of attorney from the principal owner, Mr. Alfred Krupp, for use in all matters concerning the Krupp enterprises. A brief biographic sketch is attached. Mr. Beitz speaks fair English.
3. To the best of our knowledge, the DCI has never met Mr. Beitz, nor has the Asenov ever had any operational contact with him. [] met Mr. Beitz at the home of U. S. Minister Tasca in Bonn in June 1958, just after Mr. Beitz had returned from a trip to Poland and the USSR. At that time Mr. Beitz expressed the views that Western trade with Poland should be pushed and that Bonn should establish diplomatic relations with Poland.
4. The specific reasons why Mr. Beitz wishes to see the DCI are not known; we are seeking any information on this score available to the German Station. Speculative possibilities include the following subjects:
 - a. General Gehlen on his last U. S. trip mentioned that his office had contacted Mr. Beitz concerning the technical problems involved in West German manufacture of the spare parts for Soviet military equipment in the hands of the Egyptians; objective: to reduce Soviet leverage on the Egyptians.

at

SECRET

21 Jan 59

BEST AVAILABLE COPY

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE/METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

SECRET

b. The person who told the _____ (see Ref) that Mr. Beitz wished to see the DCI was Stavros NIARCHOS, multi-millionaire brother-in-law of CHASSIS. NIARCHOS is interested in a steel mill project involving U. S. participation; the Krupp firm may also have some interest in the mill. The U. S. Department of State and DEP/SE/Greece are familiar with the matter. We understand from Mr. _____ Chief/Greece, that a memorandum on this steel mill matter was sent to the DCI about two months ago.

c. The Krupp Industries, under the initiative of Mr. Beitz, have advanced the concept of an international private capital "Point IV" program.

c. "Decartelization" problems of Krupp.

JAMES H. CRITCHFIELD
Chief
Eastern Europe Division

1 Attachment:
Biographic Sketch

cc: DECI

2

SECRET
BEST AVAILABLE COPY

SECRET

BIOGRAPHIC SKETCH
of
Mr. Berthold Beitz

- Born: 26 September 1913, Zemmin, Pomerania, the son of a bank clerk.
- 1938: Clerk, Shell Oil Co., Hamburg, Germany
- 1939: Director of a small oil firm (name unknown)
- 1940: Appointed manager of Shell Oil fields at Boryslaw, Poland
- 1944: Inducted into German army (highest rank - Sergeant)
- 1946: Appointed (by British Occupation Authorities) as Deputy Chairman, Insurance Control Board for British Zone (of Germany)
- 1949: General Manager of Iduna Germania AG, a life insurance company of Hamburg
- 1953: Became general representative of Krupp Industries
- 1954: Became a plenipotentiary for Krupp
- 1955: Became senior plenipotentiary and General Manager for Krupp

Mr. Beitz, one of the most phenomenal of the "phenomenal young men" of post-war West Germany, has made frequent post-war business trips to the U. S. He went to Poland in March 1958 and the USSR in May 1958. He reportedly received a particularly cordial reception in Poland due to his humanitarian treatment of Poles during the war. He is married and has two daughters. He is reportedly a member of the Free Democratic Party.

SECRET

SECRET
BEST AVAILABLE COPY

~~FOR~~ COORDINATION WITH State

NAZI WAR CRIMES DISCLOSURE ACT

OUTGOING
AIRGRAM

Department of State *T. Solving 073*
1/23/59 10716
P. Johnson
B. Hacin: Krupp 201

CONFIDENTIAL
Classification

54
Origin

NO.

EUR
RMR

FROM: Secretary of State

JAN 23 4 40 PM '59

W
L
INR
P
E

TO: Amembassy LUXEMBOURG LUXCO G- 38
RPTD INFO: Amembassy BRUSSELS BUSEC G- 10
" BONN G- 361
" PARIS TOFOL G- ~~322~~ 392
" LONDON G- 533

Page 1 of 1 Pages

IRC
DCL

COLUX 138 and COLUX 131

USIA
CIA

High Authority

In drawing up initial press guidance re Krupp acquisition Bochumer Verein (DEPTEL 1463 to Bonn), Dept considered desirable stress ECSC Treaty provisions and specific recognition thereof in Settlement Convention. Dept wished avoid direct linking of HA action and Law 27 (for which HA has no responsibility and which was not, therefore, rationale for HA approval of merger) in order obviate need for additional explanation of distinction between "new" and "pre-existing" concentrations. In response two recent Congressional requests for specific comment re effect of HA action on Law 27 obligations, Dept included HA statement and noted FEDREP assumed responsibility for residual Law 27 obligations under Settlement Convention.

4. Reconcentration of Krupp Mining Industry (UNCLASSIFIED)

High Authority
1/23/59

High Authority has approved under article 66 of ECSC Treaty merger between Bochumer Verein fuer Gunstahlfabrikation AG, Bochum and Huettner- und Bergwerke Rheinhausen AG. Bochumer Verein has nominal stock capital of DM 92 million and Krupp has participation of more than 75 percent. Bochumer Verein is producing 1.6 million tons steel per year. Concern has now annual capacity of 4 million tons. Approval is to be valid only if Krupp mining holding company obligates itself to apply for advance approval to High Authority for each new investment designed to increase capacity.

Comment: According to press, condition imposed by High Authority on future Krupp investments is without precedent, and has caused speculation as to implications of such control not only over Krupp's general policies, but specifically with respect to its "obligations to sell" certain properties under AHC 27.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2006

BEST AVAILABLE COPY

RE/O/W
3987
23 January 1959

BONN, FRANKFURT, MUNICH

SECRET

K. 361
DIR 09572
OUT 65277
25 Jan '59

X

BONN FRAN MUNI

REBAY

REF *[initials]* IN 10167) (RELAYED PRIORITY)

1. URGENTLY REQUEST YOU PROVIDE ANY INFO RE PURPOSE BERTHOLD BEITZ VISIT US AND SPECIFIC INTEREST *CONTACT KUBARK, **
2. WILL RECALL UTILITY MENTIONED HERE UPSWING HAD CONTACTED BEITZ RE TECHNICAL PROBLEMS GERMAN MANUFACTURING SPARE PARTS FOR SOV MIL EQUIPMENT IN HANDS EGYPTIANS TO REDUCE SOV PRESSURE ON EGYPTIANS. THIS ONLY SPECULATION BUT POSSIBLY RELATED *CONTACT KUBARK **
3. WITHOUT REVEALING BEITZ INITIATIVE *CONTACT KUBARK ** BUT PROCEED ON HIS VISIT US WHICH WIDELY KNOWN, QUERY UTILITY PURPOSE BEITZ TRIP AND SPECIFICALLY ASK HIM IF ANYTHING DEVELOPED OUT OF THEIR CONTACT WITH BEITZ ON ABOVE.
4. FYED HAVE INFO THAT WROGITZLY MAY HAVE MADE TRIP DECEMBER TO EGYPT. CAN YOU CONFIRM.

END OF MESSAGE

** Corrections by Entickfield*

RE/COF

SECRET

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

RE/O

23 Jan 1959

[initials]

BEST AVAILABLE COPY

St. Louis Post-Dispatch
JAN 25 1959

Revived Krupp Empire Stirs New Soviet Fear of German Economic Might

Industrial Complex Long a Symbol of Military Power—Partly Broken Up After War by Allies, It Now Is 'Bigger, Richer and Stronger Than Ever'—Latest Move to Acquire Steel Firm.

By GEORGE H. HALL

A Washington Correspondent of the Post-Dispatch.

WASHINGTON, Jan. 21.

THE APPEARITION of a rearmied and aggressive Germany, largely forgotten in the postwar rush to erect a European barrier against Russian expansion, appears to be stirring again. The immediate prompting is the resurgence of the Krupp industrial complex, partly dismantled by the Allies after the last war for its connections with the Nazi regime.

A few days ago, the High Authority of the six-nation European Coal and Steel Community granted the Krupp interests permission to buy a new steel company. This made the Krupp group, for generations a symbol of German military-industrial might, the largest producer in its field in the community, with capacity to turn out 5.5 per cent of the crude steel, 5.7 per cent of the pig iron, 2.7 per cent of the rolled products, 4.4 per cent of the coke and 3 per cent of the coal.

A recent news article in the New York Times pointed out that Alfred Krupp, who served six years in prison for war crimes, "is the absolute monarch of an empire now bigger, richer and stronger than ever before in its 147-year history." The Krupp assets are valued at well over half a billion dollars.

The industrial rebirth of Germany, as exemplified by the Krupp expansion, is a major factor in the Russian campaign for some agreement with the West. It was not by accident that the Soviet Deputy Premier Anastas I. Mikoyan, reminded Americans on his visit to this country of the German record of aggression and of Russian sufferings at German hands.

The Russians have watched with increasing and genuine apprehension the aims of economic growth of the new Germany, which has been developing its muscles with the approval of Secretary of State John Foster Dulles.

Changed Conditions Cited.

There are some sharp differences of course between the Germany of today and the Germany of the thirties. Perhaps the major one is that West Germany now appears willing to integrate its economy with those of France, Italy, Belgium, Luxembourg and the Netherlands, the other members of the Community.

The reasoning of the High Authority in approving the purchase by Krupp of Bochumer Verein, manufacturer of specialized steel products, was that, in the context of the new Europe, the acquisition did not present a serious threat of undue concentration.

tion is that a strong Germany with a European-integrated economy and a military establishment integrated into the North Atlantic Treaty Organization will not have the desire or the means to become aggressive in the pattern of Hitler's Germany.

A certain amount of skepticism remains, however, especially among those familiar with the cartels that were a feature of pre-war Germany.

These persons recall how the Germans evaded the provisions of the Versailles treaty and built a war machine, and how the father of Alfred Krupp developed a scheme to provide the Nazi party with funds from industry.

The program for the deconcentration of German industry was adopted by the Allied Control Council in the early days of the occupation and was incorporated in the 1954 treaties that restored German sovereignty. The government of Chancellor Konrad Adenauer undertook to complete the deconcentration.

Senate Hearing in 1945.

The entire question of German industrial mobilization for the last war was explored in 1945 by a Senate subcommittee headed by the late Senator Harley M. Kilgore of West Virginia. Toward the end of the hearings Kilgore denounced the State Department and the American group in the Allied Control Council for what he called their failure to carry out the postwar Potsdam program for the destruction of Germany's war potential.

Kilgore singled out for criticism Brig. Gen. William H. Draper, chief of the economics division of the American group and then a partner in Dillon, Read & Co., the investment firm that participated in financing the rebuilding of the German steel industry after the first world war. Draper now heads a committee appointed by President Eisenhower to examine the relative merits of foreign economic and military aid.

Wants Sale Order Lifted.

The corporation concerned in the purchase of Bochumer Verein is known as Rheinhausen A. G. It is a coal and steel producing company owned by Krupp but controlled by trustees. Included in the deal is the production of steel under the provisions of an occupation law. The trustees are required to sell the property. Krupp is producing steel products

this order lifted and Adenauer has asked the Allies to agree.

The firm has not been sold. The fact seems to be that no one would dare to buy it, even if the money were available, since it is known that Krupp wants it and that he and his friends could visit various economic reprisals on an outside purchaser.

The deadline for the sale is Jan. 31 and reportedly the United States, Britain and France plan to extend it for a year. Enforcement, which does not seem practicable, and cancellation appear to be the alternatives. If an extension is granted, the reason might well be that the British Government does not want to face the political attack that would be excited by cancellation.

The London Economist said this week: "The merger still offends the Allied deconcentration order, which the West German Government took over when it attained sovereignty. But Bonn is hardly likely to enforce it."

The constitution of the High Authority contains safeguards against "dangerous" industrial concentrations and approval of Krupp's purchase of Bochumer Verein was predicated on his acceptance of controls over future investments. There is reportedly a feeling in Germany that the responsibility of the Allies to prevent the reconcentration of big industry can be assumed by the Coal and Steel Community.

Krupp said recently in an interview with Sydney Gruson of the New York Times that the Bochumer Verein purchase was "an inevitable technical process necessary to compete." He said he had no reason for further acquisitions and he saw no danger to the peace of Europe or the world in the development.

He said he thought the future of the firm was in the manufacture of special steels, and machinery which is now exported around the world.

The Krupp firm was founded in 1811 by Friedrich Krupp for the production of heavy iron and steel castings.

Property Taken, Then Restored.

The present Alfred Krupp, now 81 years old, succeeded his father, Gustav, as head of the firm in 1943 when the Krupp factories covered five square miles and employed 160,000 persons, including slaves. He was tried before a United States court at Nuremberg (The British and Russians refused to try him) and convicted of plundering the industries of conquered countries and exploiting slave labor furnished by the Nazis. He was sentenced to 12 years in prison and was forced to forfeit his property. This was the only property seizure of the trials.

After Krupp had spent some six years in jail, his sentence was commuted Jan. 30, 1951, to the time already served, by John J. McCloy, United States High Commissioner for Germany. His property rights were restored.

Apparently as a condition of his release from Landsberg prison, he signed (in 1953) an agreement with the Western powers to sell all his coal, steel and iron assets before 1960 and never to reinvest his money in such properties. He now says the agreement was signed under duress.

Krupp began rebuilding his empire soon after leaving prison. He borrowed from commercial banks, used the money he and other members of his family received from the sale of non-occupied enterprises, and drove a hard bargain with the West. He was able to buy back his property in 1954. Under the provisions of an occupation law, the trustees are required to sell the property. Krupp is producing steel products

CB 19462

UNRELEASABLE COPY

FOR COORDINATION WITH State

Declassified and Approved for Release by the Central Intelligence Agency
Date: 2001

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: January 13, 1959

SUBJECT: Current German Developments

PARTICIPANTS: Mr. Berthold Beitz, General Manager of Krupp
Count von Ahlenfeld, Krupp Representative in London
Dr. Lukac, Assistant to Mr. Beitz

COPIES TO: Under Secretary for Economic Affairs Dillon
Mr. John Devine, GEA
W - Mr. Dillon (2)
L/EUR - Mr. Kearney GEF (26)
RA - Mr. Culbert GEA (2cc)
BP - Mr. Winter Embassy Bonn (2)
ED - Mr. Hefner Ambassador Duesseldorf
O - Mr. Murphy IRC (3)

Mr. Beitz began by saying that on a recent visit to Berlin he noticed that the people there are not as nervous as the officials in Bonn and that the economic situation is still good in Berlin. He said that he was distressed on the occasion of his present visit in the United States to find that the German tariff-quota action on coal was disturbing relations between the United States and Germany. Mr. Dillon said that John L. Lewis and members of industry take particular exception to the German action on coal in view of the fact that Germany has done so little to eliminate uneconomic mines. Mr. Beitz said that the Krupp mines had been rationalized to a considerable extent and he hoped other German mine owners would profit by this example. He said that Oterwuth, head of the miners' union, was a key figure in the whole question of German import restrictions and he thought it would be a good idea to invite him to the United States, first to see how far mechanization had gone in American mining and second to see the harmful effect of German restrictions on US industry and on the miners themselves. He said that Oterwuth was an excellent man but was entirely unacquainted with conditions abroad.

Mr. Dillon said of the main problems of the US mining industry in connection with German action is that large investments have been made in machinery and equipment which are unable to serve the German markets. The industry is under great financial strain that it cannot absorb slumps

in

OFFICIAL USE ONLY

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

BEST AVAILABLE COPY

OFFICIAL USE ONLY

- 2 -

in German demand. Mr. Beitz said that Defense Minister Strauss had so much money in his pocket that some of it should be used to ease the current coal situation. He suggested that Germany buy the coal and stockpile it in the U.S. until it was needed. He also said that he was convinced that the long term pattern for German coal import requirements was still upward.

Mr. Beitz then said that Oeternuth was the man who has been pressing strongest for coal restrictions and added that six million DM's has already been paid by Ruhr firms in penalties for cancelled U.S. coal contracts. He said that the trouble really began when the "seven big men from the High Authority" passed the word along a few years ago that the thing to do was import coal. He said this had been a mistake, but it would be even more of a mistake to lose the friendship of the U.S in finding a solution to the current problem. He said that he had told Minister Krapf at the German Embassy that he should cable Bonn that the coal situation was creating ill-will for the Germans in the United States.

Mr. Dillon said that he was interested to see that Germany was becoming increasingly active in rendering assistance to underdeveloped countries. Mr. Beitz said that the Governments could do some things but that private industry could do much more than they are now doing. He said that the Iranian plans for a steel mill were rather disappointing. At the time that the Chancellor visited Iran, he had agreed to help finance a steel mill but the arrangements had become rather bogged down and now it is doubtful whether the deal will go through. He said that he thought it was rather preposterous that every country regardless of size and resources seems to want to have its own steel plant.

Mr. Beitz said that the free world ought to profit by the example of what the Soviets had done with the satellite countries. He said that the Soviets do the overall planning and assign specific production jobs to each satellite according to its resources and production facilities. He said this not only results in increased production for the Bloc but enables the Russians to control the satellites more easily. He said if the free world could work out some such relationship on a voluntary basis with the underdeveloped countries, it would prevent the underdeveloped countries from playing one industrial country off against another. He mentioned the Aswan dam as giving the Western countries a good opportunity to establish more systematic shared enterprises. Mr. Beitz said that Krupp had been badly treated by the Egyptians not long ago when they prepared detailed plans and specifications for Alexandria harbor modernization in response to an Egyptian request. The day after Krupp turned over the plans and specifications to the Egyptians for study they announced the awarding of the Alexandria contract to the Russians.

Mr. Beitz thanked Mr. Dillon for giving him so much time and the discussion ended.

7/1/59

OFFICIAL USE ONLY

UNCLASSIFIED COPY

BEST AVAILABLE COPY

SECRET
(When Filled In)

DOCUMENT TRANSFER AND CROSS REFERENCE			
SUBJECT OF DOCUMENT		DOCUMENT IDENTIFICATION	
International: Political; Economic; Sociological - EAST-WEST AND INTRA-ORBIT TRAVEL AND CONTACTS.		3. RI FILE NO.	
		3. DISPATCH OR SOURCE DOC. SYMBOL NO.	4. DATE
		7. SOURCE CRYPTONYM	8. DATE OF INFO.
6. ANALYST E J	6. DATE PROCESSED 2 March 1959	10. DISSEMINATED IN	11. DATE
DOCUMENT DISPOSITION			
12. CROSS REFERRED TO THIS FILE X		13. TRANSFERRED TO RI FILE NO.	
PERTINENT INFORMATION			
14. <u>From Newspapers - Various</u> ROMANIA FROM WEST GERMANY -- Munich, Deutsche Woche (pro-Com) 7 Jan 59 A delegation of Friedrich Krupp, Essen, headed by Berthold Britz, was in Rumania in December for business negotiations. The delegation was received by the Rumanian Minister of Trade, Mihai Petri, and they dined with Rumanian Minister of Petroleum and Chemical Industries Mihai Florescu.			
15. FILE THIS FORM IN FILE NO.		30 Jan 1959	

FORM 867 USE PREVIOUS EDITIONS.
9-57

SECRET

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHOD EXEMPTION 302E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

BEST AVAILABLE COPY

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2001

NAZI WAR CRIMES DISCLOSURE ACT

11/24/87
2001-55

Krupp Gets Year's Grace

PARIS, Jan. 31 (AP)—The western powers have given the Krupp empire an extra year to get rid of some of its coal-steel holdings.

The decision, announced by the foreign office, took effect today, the final day given five years ago for the vast Krupp empire to be broken up.

The decision came on the heels of much speculation that such a decision was to be made and that it meant in effect that the empire might not be broken up at all.

The three western powers sought in their original order to break up the big industrial empire, including both Krupp and Fritz Thyssen, which it believed had assisted in piloting Germany to a wartime status under Hitler.

The order to break up the empire has not been followed on schedule, a decision which has brought complaints from British and French sources who expressed belief the big German combines were being left intact to regain ascendancy in many European and world markets.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

BEST AVAILABLE COPY

Declassified and Approved for Release
by the Central Intelligence Agency

Date: 2001

NAZI WAR CRIMES DISCLOSURE ACT

**Krupp Will Build
Nuclear Plant**

DUESSELDORF, Germany, Feb. 7 (AP).—The Krupp Co. and the Brown and Boveri Co. of Switzerland will build the first German-constructed nuclear test power plant, a Krupp spokesman announced today.

Construction of the plant, with a maximum capacity of 15 megawatts, is to be started this year.

Orders to build this power plant were given by 10 West German communities in order to test the possibilities of nuclear electric power.

The cost will amount to about \$10 million. Half the cost will be paid by the communities, half by the Federal Ministry of Atomic Research.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

BEST AVAILABLE COPY

FOR COORDINATION WITH State

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2001

NAZI WAR CRIMES DISCLOSURE ACT

Air Pouch **OFFICIAL USE ONLY** **DO NOT TYPE IN THIS SPACE**
 PRIORITY (Security Classification) 862-0054/2-359
FOREIGN SERVICE DESPATCH XR 262.0041
 FROM : **Embassy, Bonn** 1172
 TO : **THE DEPARTMENT OF STATE, WASHINGTON.** DESP. NO. **February 3, 1959** DATE
 REF :

17 For Dept. Use Only	ACTION EUR-9 REC'D 2-6	DEPT. IN OTHER O	Frank. E. P. L., IKI & ICA 12 Rep. 1 Ca-10 Com-12 P.R.S. 11-7 O.A.P.S
-----------------------------	---------------------------------	---------------------------	--------------------------------------------------------------------------

SUBJECT: **Exchange of Notes Establishing Mixed Commission**

(4)

There are enclosed herewith copies of the exchange of notes relating to the establishment of a Mixed Commission of experts pursuant to Article 10, Chapter 1 of the Settlement Convention which took place January 31, 1959.

An informal translation of the Federal Republic's note is also enclosed.

For the Ambassador.

Henry J. Tasca
Henry J. Tasca
Minister for Economic Affairs.

Enclosures:

1. ForOff note in original text
2. Informal translation
3. Embassy's Note No. 249

DISTRIBUTION:

AMS
DCM
FCL
ECON:GD
ECON:CA
ECON:REC

Embassies:

LONDON
PARIS, Eab and USBO
LUXEMBOURG, Eab and LUNCO

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

2/REC:SEC:stainshet

REPORTER

OFFICIAL USE ONLY

INFORMATION COPY

BEST AVAILABLE COPY

DECLASSIFIED

Enclosure No. 1
Despatch No. 1172
From BGRW
February 3, 1959

COPY

AUSWAERTIGEN AMT
200-05.03/19/59

Vorbemerkung

Das Auswaertige Amt beehrt sich, der amerikanischen Botschaft in Botschaftung der am 25. April und 5. November 1958 mündlich gemachten Mitteilungen davon Kenntnis zu geben, dass Herr Alfred Krupp von Bohlen und Halboch am 24. Januar 1958 bei der Bundesregierung einen Antrag auf Verlängerung der Frist zur Erfüllung der ihm erteilten Verkaufsaufträge für die in seinen Besitz befindlichen Aktien der Batten- und Bergwerks Rheinischen Aktien-Gesellschaft gestellt hat.

Die Bundesregierung wird unter Bezugnahme auf Art. 10 Ziffer 1 des Vertrages zur Regelung des Krieges und Besetzung entstandener Fragen in seiner Fassung vom 23. Oktober 1954 die drei deutschen Mitglieder des in dieser Bestimmung vorgesehenen Gemeinsamen Ausschusses in einer weiteren Note benennen.

Das Auswaertige Amt benutzt diese Gelegenheit, die amerikanische Botschaft erneut seiner ausgezeichneten Beobachtung zu versichern.

Bonn, den 30. Januar 1959
L.S.

An die Botschaft der Vereinigten
Staaten von Amerika

Herr Grafenberg

BEST AVAILABLE COPY

DECLASSIFIED

Enclosure No. 2
Despatch No. 1172
From BGRW
February 3, 1959

Translation

FOREIGN OFFICE
200-85,05/19/59

NOTE VERBALE

The Foreign Office has the honor - in confirming the statements made orally on April 25 and November 5, 1958 - to notify the Embassy of the United States that, on January 24, 1959, Herr Alfred Krupp von Bohlen und Halbach filed an application with the Federal Government requesting the extension of the deadline for the fulfillment of the "orders to sell" imposed on him with regard to the shares of the Huetten- und Bergwerke Rheinhausen Aktiengesellschaft in his possession.

Pursuant to Article 10 (1) of the Convention on the Settlement of Matters Arising Out of the War and the Occupation (as amended) dated October 23, 1954, the Federal Government will name the three German members of the Mixed Committee provided for in this regulation in another Note.

The Foreign Office takes this opportunity of renewing to the Embassy of the United States the assurances of its highest consideration.

Bonn, January 30, 1959

To the
Embassy of the United
States of America

Red Goeseberg

DECLASSIFIED

BEST AVAILABLE COPY

UNCLASSIFIED

Enclosure No. 3
Despatch No. 1172
From BONN
February 3, 1959

No. 249

The Embassy of the United States of America has the honor to refer to Note No. 200-85.05/19/59, dated January 30, 1959, of the Federal Ministry for Foreign Affairs in which the Ministry provided written confirmation of its receipt, within the time limit laid down in Article 10 (3) of Chapter 1 of the Convention on the Settlement of Matters Arising Out of the War and the Occupation of an application, from Herr Alfred Krupp von Bohlen and Helbach for extension of the final time for the disposition of his shareholdings in Huotter und Bergwerke Rheinhausen Aktiengesellschaft.

It will be recalled that following discussions between the Governments of the United States, France and the United Kingdom on one hand, and the Federal German Government on the other, official confirmation of the receipt of this application in accordance with Article 10 (1) of Chapter 1 of the Convention was delayed pending the consideration by the Governments concerned of the issues involved.

Following this consideration a Mixed Commission of experts will now be established in accordance with Article 10 (1) of Chapter 1 of the Convention.

The Embassy of the United States of America notes that the Federal Ministry for Foreign Affairs will in a further communication inform it of the names of the three members to be appointed by the Federal Government to the Mixed Commission. The Embassy will also inform the Ministry as soon as possible the name of the individual designated by the United States Government.

The Embassy of the United States of America takes this opportunity to renew to the Federal Ministry for Foreign Affairs the assurance of its high consideration.

Embassy of the United States of America,
Bonn, January 31, 1959

UNCLASSIFIED

BEST AVAILABLE COPY

COORDINATION WITH *State*

Declassified and Approved for Release by the Central Intelligence Agency Date:

NAZI WAR CRIMES DISCLOSURE ACT

AIR POUCH **UNCLASSIFIED** (Security Classification) **DO NOT TYPE IN THIS SPACE**

FOREIGN SERVICE DESPATCH

FROM : American Embassy, London **10:3**

TO : THE DEPARTMENT OF STATE, WASHINGTON. **February 9, 1959**

REF : **DATE** *mm*

862A 054/2-959
X R 862A. 2552
862A. 331

5 For Dept. Use Only	ACTION	DEPT.	REC'D 2/13	IN OTHER	REP-1 RM/R-2 IRC-8 ICA-10 E-7 COM-10 TAR-2 IN-7 CIA-10 NSIA-10 LRA	ADM NAV AIA LRA

SUBJECT: Reorganization of Krupp Properties under Allied High Commission Law No. 27

The United Kingdom Government announced in Parliament on February 4, 1959, through a written reply to a question, the appointment of a Mixed Committee in Germany to consider an application for an extension of time for Krupp to fulfill his remaining obligations to sell coal and steel properties in fulfillment of a reorganization plan prepared under AHC Law No. 27. The statement in the House of Commons is reported in Hansard, February 4, 1959, Volume 559, No. 50 (cols 70-71);

Herr Krupp

Mr. Bevan asked the Secretary of State for Foreign Affairs if he will make a statement on the present holdings of Herr Alfred Krupp, and the policy of Her Majesty's Government to the 1953 Deconcentration Agreement.

Mr. E. Allan: There has been no decision to grant a year's extension of time. The Federal German Government have notified Her Majesty's Government and the United States and French Governments that Herr Krupp has submitted an application for extension of time in which to fulfill his remaining obligations to sell. A Mixed Committee is to be set up under the terms of the Bonn Settlement Convention to consider this application, and any others which may be submitted by other companies or persons concerned under similar deconcentration plans. The Committee will have the power, if it is satisfied that certain conditions have been fulfilled, to grant extensions of not more than one year, subject to renewal. Meanwhile Allied High Commission Law Number 27 remains in force.

For the Ambassador:

Daniel F. Margolies
First Secretary of Embassy

Copy to Bonn and Paris

E/ECD:DFMARGOLIES:lv

REPORTER

UNCLASSIFIED

INFORMATION COPY

Retain in divisional files or destroy in accordance with security regulations. THE ABOVE INSTRUCTION APPLIES TO THE DEPARTMENT ONLY

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

BEST AVAILABLE COPY

NAZI WAR CRIMES DISCLOSURE ACT

C. S. News

FEB 16 1959

The Krupp Puzzle

Very few persons outside the Krupp family and some employees can be happy at news that the Krupp industrial empire in West Germany is apparently being put back together and even enlarged. Yet several very practical questions are involved in whether the World War II Allies can or should hold Alfried Krupp to a postwar agreement to break up and dispose of his coal and steel enterprises by 1959.

Two views of the matter are presented on this page. To those still seared by memory of Nazi cruelty, the role of Alfried Krupp's father as armorer to Hitler is not easily forgotten. But today the most serious threat of dictatorial rule comes not from a revival of Hitlerism but from a Soviet empire devoted to the spread of communism. Against that threat the West needs strength in West Germany.

Herr Krupp points out factually that there is no one in West Germany with money enough to buy him out. The smaller Mannesmann syndicate has already been reorganized. The six parts of the former I. G. Farben chemical combine are likely to be re-integrated, also. The Krupp indus-

tries, of course, have made their postwar recovery without armament manufacture.

There is a certain irony in the United States assenting to the reconcentration and expansion of Krupp holdings while its Department of Justice carries on an antitrust investigation of General Motors.

But the West German Government now has its own laws against the revival of cartels, and Economics Minister Prof. Ludwig Erhard is a vigorous advocate of competition. There are also strong controls applicable under the relatively new European Coal and Steel Community.

The misgivings raised by imminent revival of the Krupp industrial empire are that it will wield monopoly powers in trade and that it may form part of a remilitarized Germany. As to both these hazards, the best hopes lie in democratically strong German government and a peace-serving sense of European unity.

Unless these can really be depended upon, this newspaper believes there is ground for the deepest reservations against permitting a revival of far-flung power in the Krupp industrial empire.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2006

BEST AVAILABLE COPY

FOR COORDINATION WITH State

NAZI WAR CRIMES DISCLOSURE ACT

INCOMING TELEGRAM

Department of State

CONFIDENTIAL

53
Action
EUR
Info
RMR
SS
W
G
SP
C
L
INR
H
WMSC
E
IRC
DCL
ICA
CIA

Control: 10173
Rec'd: FEBRUARY 17, 1959
4:46 PM

FROM: LONDON
TO: Secretary of State
NO: 4285, FEBRUARY 17, 6 PM

SENT DEPARTMENT 4285, REPEATED INFORMATION BONN 274,
PARIS 667, BRUSSELS 88, LUXEMBOURG 52.

PARIS FOR EMBASSY AND USRO; BRUSSELS FOR BUSEC; LUXEMBOURG FOR
LUXCO.

DEPTEL 7398.

UK POSITION ON KRUPP REMAINS AS DESCRIBED EMBTEL 4090, REPEATED
BONN 250, PARIS 630, LUXEMBOURG 45, AND STILL SITTING ON LLOYD'S
DESK. BECAUSE OF INTEREST OF PRIME MINISTER AND OTHER CABINET
OFFICERS IN KRUPP CASE, LLOYD'S PERSONAL APPROVAL REQUIRED AND
HE IS TIED UP ON CYPRUS. HIS APPROVAL EXPECTED BEFORE END
WEEK.

FOREIGN OFFICE AGREES WITH DEPARTMENTAL PROPOSAL PARAGRAPH ONE
DEPTEL 7267 THAT MIXED COMMITTEE BE ASKED RECOMMEND FINAL
SOLUTION. THIS WOULD HAVE TO BE INFORMAL SINCE NOT WITHIN
OFFICIAL TERMS REFERENCE. HOWEVER, THIS IS ADDED REASON FOR
HAVING COMMISSION COMPOSED OF NON-GOVERNMENTAL APPOINTEES
SINCE RECOMMENDATION FROM INSTRUCTED GROUP OBVIOUSLY WITHOUT
VALUE.

FOREIGN OFFICE TOLD MARJORIBANKS AS REPORTED BONNS 1743 TO
DEPARTMENT THAT IF GERMANS INSISTED ON APPOINTING GOVERNMENT
EMPLOYEES, UK GOVERNMENT WOULD PERFORCE HAVE TO ACCEPT SUCH
ACTION ALTHOUGH IT WOULD NOT LIKE IT. HOWEVER PUBLIC OPINION IN
UK WOULD PROBABLY NOT SEE MUCH DIFFERENCE AS REGARDS GERMAN
MEMBERS SINCE BRITISH PUBLIC WOULD PROBABLY ASSUME SO-CALLED
INDEPENDENT GERMAN APPOINTEES WOULD ACT IN LINE GERMAN GOVERNMENT
POLICY ANYHOW. FOREIGN OFFICE BELIEVES FRENCH GOVERNMENT WILLING

CONFIDENTIAL

UNLESS "UNCLASSIFIED"
REPRODUCTION FROM THIS
COPY IS PROHIBITED.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY

SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2006

BEST AVAILABLE COPY

CONFIDENTIAL

- 2 - 4285, FEBRUARY 17, 6 PM FROM LONDON

DESIGNATE NON-GOVERNMENTAL MEMBER IF OTHERS DO. FOREIGN
OFFICE RELUCTANT PRESS FRENCH SINCE UK PRECIPITATED ENTIRE
DIFFICULTY BY CHANGING ITS MIND AND THEREFORE UK BELIEVES
FRENCH NOT PARTICULARLY RECEPTIVE TO UK PRESSURE ON THIS ISSUE.

WHITNEY

JB/21

CONFIDENTIAL

BEST AVAILABLE COPY

INCOMING TELEGRAM

Department of State

53
Action

CONFIDENTIAL

Classification Control: 11710
Rec'd: February 19, 1959
2:56 p.m.

EUR
Info

FROM: London

RMR

TO: Secretary of State

SS

NO: 4337, February 19, 5p.m.

W

G

SP

C

SENT DEPARTMENT 4337; REPEATED INFORMATION BONN 275, PARIS 670, BRUSSELS 90, LUXEMBOURG 53.

L

INR

BRUSSELS FOR BUSEC; LUXEMBOURG FOR LUXCO

H

WMSC

E

IRC

DCL

ICA

CIA

Foreign Office highly appreciative message contained DEPTTEL 7449 and will notify Embassy immediately Lloyd decision taken. Belated flurry over Krupp arose during question period Parliament February 18 with opposition in harsh terms denouncing Krupp and warning that country felt very deeply on subject. Government spokesman replied procedure being followed was that envisaged in settlement convention. Foreign Office said outburst had been anticipated since this was first opportunity raise subject in oral question period.

WHITNEY

PAB/JB/9

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHOD EXEMPTION 3B2
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

FOR COORDINATION WITH State

DECLASSIFIED
Nazi War Crimes Disclosure Act
PL105-246

By: MAE Date: 11/8/17

CONFIDENTIAL

Classification

REPRODUCTION FROM THIS
COPY IS PROHIBITED
UNLESS "UNCLASSIFIED"

BEST AVAILABLE COPY

FOR COORDINATION WITH STATE

NAZI WAR CRIMES DISCLOSURE ACT

AIR POUCH	UNCLASSIFIED (Security Classification)	DO NOT TYPE IN THIS SPACE 862a.054/ 2-2459
PRIORITY	FOREIGN SERVICE DESPATCH	
FROM : American Embassy, London	1936	
	DESP. NO.	February 4, 1959
TO : THE DEPARTMENT OF STATE, WASHINGTON.		DATE
REF :		

50 For Dep. Use Only	ACTION EUR-9 REC'D 2-28	DEPT. IN OTHER CIA-10 COM-12 TAR-2 IA-7 TR-2 LAB-5
----------------------------	----------------------------------	-------------------------------------------------------------

SUBJECT: Protest in Parliament Against Delay of Sale of Krupp Coal and Steel Holdings *USA-10 ARMY-4 NAVY-3 AIR-1*

Attached is an extract from Hansard, February 18, 1959, Columns 345-346, setting out several questions relating to the delay in the implementation of the order requiring the sale of the coal and steel holdings of Krupp.

The matter was raised during the oral question period in Parliament, and among the questions asked was whether the United Kingdom Government had protested to the Federal German Government regarding its failure to ensure the implementation of Allied Law No. 17. Mr. Bevan, the Shadow Foreign Secretary, pressed the Government for a statement of the conditions which would need to be satisfied before an extension of time for the sale would be allowed.

In reply, the Government spokesman said that the procedure followed was that envisaged in the Bonn Settlement Convention.

In the supplementary questions, the Opposition indulged in harsh comments and drew to the attention of the Government the very deep feeling in the country about this matter. The Government spokesman said that he would bear that in mind.

Comment: This was the first time that questions relating to Krupp came up during the oral answer period. Previous questions had not been reached in time for an oral reply and, therefore, had been answered in writing (see Embdesp No. 183, February 9, 1959). This was the first occasion, therefore, for members of Parliament to speak on the subject.

For the Ambassador:

Daniel F. Margolies
First Secretary of Embassy

Attachments:

Extract from Hansard, Krupp
Deconcentration Agreement" (6 copies)

E/ECD:DFM:margolies:lv

REPORTER

UNCLASSIFIED

INFORMATION COPY

Retain in divisional files or destroy in accordance with security regulations.

THE ABOVE INSTRUCTION APPLIES TO THE DEPARTMENT ONLY.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

BEST AVAILABLE COPY

KRUPP TO JAPAN--This weekend Alfred Krupp von Bohlen und Halbach will fly to Japan for discussions with representatives of the Japanese economy. (Eanburg, DPA, Mar. 11, 1959, 2107 GMT--G)

*T. B. S.
12 Mar 59*

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

BEST AVAILABLE COPY

Air Pouch
PRIORITY
CONFIDENTIAL
(Security Classification)

DO NOT TYPE IN THIS SPACE
70-101/1
V

FOREIGN SERVICE DESPATCH

FROM : **Ambassy, BORN** **1402**
DESP. NO.
TO : **THE DEPARTMENT OF STATE, WASHINGTON.**
REF : **GERP Section D - VII-A-2 and 3**

March 17, 1959
DATE

For Dept. Use Only	ACTION	DEPT.	OTHER
	REC'D	INFO	
	<i>7/11</i>	<i>7/11</i>	<i>7/11</i>

SUBJECT: **Authorization by the High Authority of the Merger of Hatten- und Bergwerke Rheinhausen AG and the Bochumer Verein fuer Gusstahlfabrikation AG**

There is enclosed translated copies of (a) the Federal Ministry for Foreign Affairs' Aide Memoire No. 200-85.05/29/59, (b) estimates of the costs for selected items of capital equipment used in the German steel industry, and (c) the Decision of the High Authority authorizing the acquisition of shares of Bochumer Verein fuer Gusstahlfabrikation AG by Hatten- und Bergwerke Rheinhausen AG.

The Foreign Office advises us that the enclosed material was received from the firm of Fried. Krupp for the exclusive information of the Governments of the United States, France, and Great Britain. The Foreign Office transmitted the information only after receiving the approval of the High Authority.

For the Charge d'Affaires ad interim:

William C. Ookay
William C. Ookay
Counselor of Embassy
for Economic Affairs

Enclosures: 3 e/s

DISTRIBUTION:

AMB
ECON:OD
ECON:NEC
Ambassy, LUXEMBOURG and LUXCO

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

FOR COORDINATION WITH State

E/NEC:EGG:ain:het
REPORTER

CONFIDENTIAL

INFORMATION COPY
Retain in divisional files or destroy in accordance with security regulations.

BEST AVAILABLE COPY

CONFIDENTIAL

Enclosure No. 1
Legation No. 1402
From BORN
March 17, 1959

FEDERAL MINISTRY

FOR

FOREIGN AFFAIRS

200-85.05/29/59

Aldershausen

The High Authority has authorized the merger of the Hasler- und Bergwerke Reichenstein AG, and the Bochumer Verein fuer Eisenhuettenbau AG.

The text of the authorization is submitted in the enclosure with the consent of the firm Friedr. Krupp, Essen. It is requested to treat this matter strictly confidentially in view of the detailed information submitted by the firm concerned. The Federal Ministry for Foreign Affairs has obligated itself to the firm Friedr. Krupp, Essen, as well as to the High Authority that this information will be passed on exclusively to the Governments of France, Great Britain and the United States of America.

Supplementary to the authorization of the High Authority, a list has been added in the enclosure from which the funds required for the customary investments of a steelworks become evident.

Bonn, February 23, 1959

(S B A L)

CONFIDENTIAL

BEST AVAILABLE COPY

CONFIDENTIAL

Enclosure No. 2
Despatch No. 1402
From BOMM
March 17, 1959

One blast furnace with a capacity of 1,000 tons per day with burden installation would run to about

DM 19 millions

The establishment of a sintering plant inclusive of dust arrest would cost

DM 20 millions

The construction of a 180-ton Blawieck-Kerlin furnace would cost

DM 18 millions

The construction of a 130-ton electric furnace would cost

DM 12 millions

The construction of a continuous semifinishing mill train requires

DM 37 millions

and the contemplated extension of the 650-roll train for 17 1/2 light sections would require

DM 35 millions

The completion of the Thomas steel plant in Rostkowen consisting of another 2 converters, balls and cranes, inclusive of the pulling down of the old Thomas steel plant, would require

DM 38 millions

and the replacement of the 525-three-high rolling-mill train by a new heavy-duty intermediate rolling mill

DM 70 millions

An essentially contemplated modernisation of the old blast furnace plant (installation of improved mixture of ores, construction of ore mixing beds, modernisation of the sintering plant) would require

DM 125 millions

The completion of the reconstruction of the Thomas steel plant begun in 1944 inclusive of the shifting of the Thomas slag mill, of the modernisation of the SM plants and of the construction of dust arrester installations will require about

DM 113 millions

a reconstruction, respectively modernisation of the breaking-down, intermediate and small section mill trains requires funds in the amount of

DM 250 millions

It emerges from this list that all large-scale projects require funds far in excess of the DM 20-million limit mentioned in the condition, and that they are therefore subject to authorisation.

CONFIDENTIAL

BEST AVAILABLE COPY

CONFIDENTIAL

Enclosure No. 3
despatch No. 1402
from ECSC
March 17, 1959

EUROPEAN COAL AND STEEL COMMUNITY
HIGH AUTHORITY
Secretariate

Luxemburg

D E C I S I O N
of Jan 26, 1959,

authorising acquisition by the Huetten- und Bergwerke Rheinhausen Aktiengesellschaft in Essen of shares of the Bochumer Verein fuer Guetstahlfabrikation Aktiengesellschaft in Bochum of a par value of DM 37,385,000.--.

This decision is based

on Articles 15,66 and 80 of the Treaty,

on Decision No. 24/54 of May 6, 1954, concerning an Ordinance on the Legal Characteristics of the Control of an Enterprise within the meaning of Article 66 of the Treaty (Community's Official Gazette of May 11, 1954, p. 345),

on the application by the Huetten- und Bergwerke Rheinhausen Aktiengesellschaft in Essen of Sep 23, 1957, for an authorization of the acquisition of shares of the Bochumer Verein fuer Guetstahlfabrikation Aktiengesellschaft in Bochum of a par value of DM 37,385,000.00,

and on the following considerations:

The Bochumer Verein fuer Guetstahlfabrikation AG is a steel-producing enterprise within the meaning of Article 80 of the Treaty with a capital stock of DM 69,000,000.--.

The Bochumer V. fuer G. AG, inter alia, holds shares of the following enterprises, of which the enterprises numbered (3 to 5) are coal-producing enterprises within the meaning of Article 80 of the Treaty:

<u>Name and Domicile of Enterprises</u>	<u>Capital Stock</u> DM	<u>Extent of Holdings of</u> <u>Bochumer Verein</u> %
1. WURAG, Eisen - und Stahlwerke AG, Hobentlimburg	5,000,000	100
2. Gewerkschaft Christine, Essen-Kupferdreh	2,550,000	100
3. Bergbau AG Constantin der Grosse, Bochum	37,575,000	51
4. Carolinenglueck, Bergbau AG, Bochum	13,000,000	50
5. Graf Nolcke Bergbau AG, Gelsenkirchen	12,000,000	50

BEST AVAILABLE COPY

CONFIDENTIAL

The rest of the shares of the Carolinenglück Bergbau AG and of the Graf Holthe Bergbau AG are held by enterprises whose shares in turn are fully owned by the Gelsenkirchener Bergwerks-AG.

The Bodumser Verein fuer Gustahlfabrikation AG and the enterprises whose shares are owned by the Gelsenkirchener Bergwerks-AG have the possibility, on the strength of fundamental agreements made with respect to the administrative and technical management of the Carolinenglück Bergbau AG and the Graf Holthe Bergbau AG, of jointly controlling these two mining companies.

This enables the Bodumser Verein fuer Gustahlfabrikation AG to control the enterprises ad 1) to 5) within the meaning of Article 66, Paragraph 1, of the Treaty and Article 1, Paragraph 2, of Decision No. 24/54.

Consequently the enterprises ad 1) to 5) and the Bodumser Verein fuer G. AG are concentrated within the meaning of Article 65, Paragraph 1, of the Treaty.

The ~~Huetten- und Bergwerks Rheinhausen AG~~ is a holding company with a capital stock of DM 110,000,000.—

The Huetten- und Bergwerks Rheinhausen AG, inter alia, owns shares of the following coal and steel-producing enterprises within the meaning of Article 80 of the Treaty:

<u>Name and Details of Enterprises</u>	<u>Capital Stock</u> DM	<u>Extent of Holdings</u> <u>of Rheinhausen</u>
6. Huettenwerk Rheinhausen AG, Rheinhausen	100,000,000	100
7. Bergwerks Eesen-Roseberry AG, Eesen	30,000,000	100

Hence, the Huetten- und Bergwerks Rheinhausen AG have the possibility of controlling the enterprises ad 6) and 7) within the meaning of Article 65, Para 1, of the Treaty and of Article 1, Para 2, of Decision No. 24/54.

Consequently the enterprises ad 6) and 7) and the Huetten- und Bergwerks Rheinhausen AG are concentrated within the meaning of Article 66, Para 1, of the Treaty.

The firm of Fried. Krupp in Eesen holds all the shares of Huetten- und Bergwerks Rheinhausen AG. Alfred Krupp von Bohlen und Halbesch is sole owner of the latter firm's assets.

Furthermore, the firm Friedrich Krupp is proprietor of shares of the following enterprises, of which the enterprise under number 8 is a coal producing enterprise in the meaning of Article 80 of the Treaty:

CONFIDENTIAL

BEST AVAILABLE COPY

CONFIDENTIAL

Page 3
Enclosure No. 2
Despatch No. 1402
From BOMW
March 17, 1959

Name and location of Enterprise	Stock or basic Capital DM	Direct & Indirect Participation of Fried, Krupp in percent
8. Steinkohlenbergwerk Hannover-Hannibal AG, Bochum-Nordal	35,000,000	100
9. Krupp Kohlenchemie GmbH, Wanne-Eickel	20,000,000	100
10. Fried. Krupp Motoren- & Kraftwagenfabriken GmbH, Essen	12,000,000	100
11. Fried. Krupp Dieselmotoren GmbH, Essen	1,000,000	100
12. Dolberg-Glaser & Pflaum GmbH, Essen	6,000,000	100
13. Weser Flugzeugbau GmbH, Bremen	4,000,000	100
14. Bruhn & Kappeler GmbH, Essen	500,000	100
15. Maschinenfabrik Futura GmbH, Wuppertal-Elberfeld	250,000	100
16. Harburger Eisen- und Bronzewerke AG, Harburg-Harburg	2,600,000	over 90
17. Badische Wolframers GmbH, Soellingen	2,500,000	82.6
18. A. G. Weser, Bremen	18,000,000	82
19. Krupp-Ardelt GmbH, Wilhelmshaven	1,200,000	51

In accordance therewith, the firm Fried. Krupp has the possibility to control the enterprises under number 8 - 19 as well as the Huetten- und Bergwerke Rheinhausen A.G. in the meaning of Article 66, Section 1 of the Treaty and of Article 1, number 2 of the Decision No. 24/54.

Thus the enterprises 8 - 19 and the Huetten- und Bergwerke Rheinhausen AG are merged with the firm Fried. Krupp within the meaning of Article 66 para 1 of the Treaty.

In consequence of the acquisition of nominal DM 37,385,000 shares of the Bochumer Verein fuer Gusstahlfabrikation AG, the Huetten- und Bergwerke Rheinhausen AG would become the owner of about 54% of the basic capital of the Bochumer Verein fuer Gusstahlfabrikation AG.

Herewith the firm Fried. Krupp will obtain the opportunity to control the Bochumer Verein fuer Gusstahlfabrikation AG by way of Huetten- und Bergwerke Rheinhausen AG within the meaning of Article 66 para 1 of the Treaty, and Article 1, Nr. 2 of the Decision No. 25/54.

By the intended procedure a merger within the meaning of Article 66 para 1 of the Treaty is effected between the firm Fried. Krupp and the Bochumer Verein fuer Gusstahlfabrikation AG as well as between the enterprises merged with those

CONFIDENTIAL

BEST AVAILABLE COPY

~~CONFIDENTIAL~~

Page 4
Enclosure No. 3
Lespach No. 1402
From BONN
March 17, 1959

enterprises.

In consequence of this procedure, the enterprises and persons concerned will control the following shares in coal and steel production in the Federal Republic of Germany and in the European Community for Coal and Steel.

Products (1956)	Fried. Krupp 1000 t	Bochumer Verein 1000 t	1000 t	Total in % of Production	
				in the FedRep	in the ECSC
Hard coal	3,801	3,707	7,508	5.6	3.0
Coke	1,610	1,699	3,309	7.6	4.4
Crude iron	1,778	708	2,486	14.1	5.7
Crude steel	1,953	1,176	3,129	13.5	5.5
Rolling mill finished products thereof:	1,083	373	1,456	9.4	3.7
Permanent way material	213	84	297	46.6	20.1
Heavy profiles	154	—	154	11.2	4.1
Strip steel and skelps (hot bend)	—	90	90	6.3	3.0
Semi-finished tube material without ingots	21	69	81	9.6	5.1
Wire rod	273	7	280	19.5	7.5
Bar steel	422	132	554	13.1	4.4

These shares do not suffice to give to the coal and steel enterprises concerned the possibility of fixing prices in an important sector of the market of the products concerned, to control or to limit the production or the distribution or to prevent real competition.

In 1956, the demand in blast-furnace coke of the Huettenwerk Rheinhausen AG and Bochumer Verein fuer Gusstahlfabrikation AG amounted to about 2.5 million t. The production of blast-furnace coke of the enterprises involved in the merger amounted to about 1.8 million t as an estimate. Therefore, the enterprises involved in the merger could cover this part of their demand in blast-furnace coke from the production of the enterprises involved in the merger, while the

~~CONFIDENTIAL~~

DESI ANNIERRE 1959

CONFIDENTIAL

Page 5
Enclosure No. 3
Dispatch No. 1402
From BORN
March 17, 1959

remaining 0.7 million t of blast-furnace coke would have to be supplied from the market.

The firm Fried, Krupp and the enterprises merged with it bought directly from the locomotive Verwal near Gustahlfabrikation AG and the enterprises merged with it about 15,000 t of steel. They sold directly to the locomotive Verwal near Gustahlfabrikation AG and the enterprises merged with it 17,000 t of steel. Mutual direct deliveries of steel amounted to less than 25 of the locomotive Verwal near Gustahlfabrikation AG's steel production and less than 1% of the steel production of Hoeslwerke Reichelhausen AG.

The structure and the demand of the enterprises contingent thereon do not give a reason to expect an increase of the mutual deliveries after the merger is effected to an extent which would allow the enterprises concerned to evade the competition rules resulting from the application of the Treaty, especially by establishing an artificially privileged position involving a material advantage with regard to access to sources of supply and to markets.

While thus, according to the present status, the intended procedure corresponds to the conditions to which approval is subject pursuant to Art. 66 para 2, there exists, however, the danger that the participating steel enterprises, by the aid of the considerable financial power of the firm Fried, Krupp, expand their production especially by investments to such an extent that they obtain the possibility to prevent competition or to evade competition rules in a considerable part of the steel market. The High Authority, therefore, can approve this procedure pursuant to Article 66 para 2, No. 5 only subject to a condition which excludes this danger.

Therefore, the approval is subject to be connected with a condition that enterprises or persons involved in the merger may carry out investment projects in the field of steel production only with prior authorization of the High Authority. In consideration of the purpose, this condition can be limited to such investment projects which presumably will exceed a total expenditure of 5 million ERM accounting units, no matter whether new installations, or the replacement or rebuilding of existing installations are concerned.

The High Authority will deny the approval if it ascertains that the intended investments would give the enterprises or persons involved the opportunity

- to influence prices in a considerable part of the market of these products, to control the production or distribution, or to limit or prevent effective competition;

- to evade the competition rules resulting from the application of the Treaty, especially by establishing an artificially privileged position involving a material advantage with regard to access to the sources of supply and to the markets.

CONFIDENTIAL

BEST AVAILABLE COPY

CONFIDENTIAL

Page 6
Enclosure No. 3
Despatch No. 1402
From BONN
March 17, 1959

For these reasons, the High Authority makes the following

DECISION

Article 1

The acquisition is approved of nominal 1M 37,385,000 shares of the Bochumer Verein fuer Guetstahlfabrikation AG in Bochum by the Huettten- und Bergwerke Rheinhausen AG in Essen subject to the following condition.

Article 2

(1) The enterprises and persons involved in the merger may carry out investment projects in the field of steel production only with prior authorisation of the High Authority, insofar as the total expenditure to be expected will exceed 5 million ERM accounting units, no matter whether new installations or the replacement or rebuilding of existing installations are concerned.

(2) The total expenditure has to comprise all expenses which result directly from the execution of the respective program. They are to be calculated in summing up all items (elements) which constitute an indivisible whole in one and the same program, even if its execution will take place in different sections at different times.

Article 3

The High Authority will not grant permission for such investment projects sofar as it ascertains that the intended investment would provide the enterprises or persons concerned with the possibility in a considerable part of the market to influence prices, to control or limit production or distribution, or to prevent effective competition or evade the competition rules resulting from the application of the Treaty, especially by establishing an artificially privileged position involving a material advantage with regard to access to the sources and to the markets.

Article 4

This Decision is served upon the Huettten- und Bergwerke Rheinhausen AG. It becomes effective upon service.

The above decision was deliberated and concluded by the High Authority at its session on January 26, 1959.

For the Authority

The President

sgd: Paul Finet

CONFIDENTIAL

BEST AVAILABLE COPY

C } *d*

INCOMING AIRGRAM

Department of State

34
Action
EUR

CONFIDENTIAL
Classification

B O I 3 1
PAGE...OF... PAGES

Info
RMR

FROM: **Ambassy BONN**
TO: **SecState WASHINGTON**

Date Sent: **18 MARCH 1959**
Rec'd: **CN 551**

SS
W
G
SP
C
INR
H
P
UOP
E
IRC
DCL

NO: **G-521**

MAR 21 10 13 AM '59

SUBJ: **Khrushchev Invitation to Krupp's Beitz to meet in Leipzig.**

Dr. Guenther Lueck, Bonn representative of Krupp, informed Embassy officer yesterday Khrushchev had, during recent visit to Leipzig, made vigorous effort to get Mr. Berthold Beitz, General Manager of Krupp, to meet with him in Leipzig to discuss possible 100 million DM order for new chemical plant in Soviet Union. Invitation extended directly by Soviet Ambassador Smirnov apparently during the course of Khrushchev visit. Beitz requested opinion of Westrick whether he should proceed and was told Wirtschaftsministerium considered visit unwise but referred him to Foreign Office. van Scherpenberg in Paris with Chancellor as deadline for reply neared. Upon return of van Scherpenberg late afternoon March 5, Krupp representative requested his opinion. van Scherpenberg apparently took firm stand against visit and stated such a visit would "in existing circumstances be inconsistent with Chancellor's policies". As result visit did not take place.

Dr. Lueck added ruefully British Vickers had obtained the order. In Lueck's view, he thought West should be less reluctant to trade with Soviet Bloc. Soviet order would have assured some 5,000 employees work for one year. In view of slackening business and need to trim staff, order would have been quite useful. He referred negatively to van Scherpenberg position as a continuation of the so-called "Hallstein Doctrine".

TASCA
DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHODSEXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

AUTH: **HJTasca**

CN 551

HJTasca/ep

CONFIDENTIAL
Classification

REPRODUCTION FROM THIS DOCUMENT IS PROHIBITED UNLESS OTHERWISE AUTHORIZED

DECLASSIFIED
Nazi War Crimes Disclosure Act
PL105-246

By: *mac* Date: *1/8/71*

BEST AVAILABLE COPY

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2001

NAZI WAR CRIMES DISCLOSURE ACT

Die Welt
25 März 59

Tokio — Alfred Krupp von Bohlen
und Halbach, der sich zu einem fünf-
wöchigen Informationsbesuch in Japan
aufhält, hat dem japanischen Außen-
minister Fujiyama einen Besuch abge-
statet.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

BEST AVAILABLE COPY

C-O-N-F-I-D-E-N-T-I-A-L SEE BOTTOM OF PAGE FOR SPECIAL CONTROLS IN ANY

INFORMATION REPORT

PREPARED AND DISSEMINATED BY
 CENTRAL INTELLIGENCE AGENCY

This material contains information affecting the National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

TOPIC
 West Germany

SUBJECT
 Alfred Krupp's Report of Purchase of Steel Firm Said to be a Subterfuge

REPORT NO. 00-4-3,133,961

DATE DISTRIBUTED 13 Jun 59

NO. OF PAGES 1 NO. OF FILES

SUPPLEMENT TO REPORT

DATE OF INFORMATION (Date or dates, on or between which, events or conditions described in report occurred) Jan 59

DATE ACQUIRED (By source) Jan 59

RESPONSIVE TO
 o/c TIC 6300A
 Guide 154 CCI-24L
 Guide 43 C-I-100

THIS IS UNEVALUATED INFORMATION
 SOURCE: US national, employed by the US Government.

Source directs the activities of an industrial security office of a US Government Agency. He has been active in investigative and security work ever since WWII.

In January 1959 I had a conversation with an ex-wife of Alfred Krupp during which she called my attention to an item in the 8 Jan 59 issue of the Wall Street Journal that reported the purchase of Bochumer Verein, producers of high grade steel and rolled material, by Alfred Krupp. The ex-Mrs Krupp told me that the reported purchase was deceptive because Bochumer Verein had been owned by Alfred Krupp for a long time. Her opinion as to the reason for this subterfuge is that Krupp has chosen this manner of determining the reactions of the WWII allies and the West German Government to the enlargement of his industrial holdings. The Allied-West German Treaty required that the Krupp coal and steel empire be broken up by the end of 1958 but the West German Government did not force Krupp to comply fully with this provision of the treaty.

- end -

DECLASSIFIED AND RELEASED BY
 CENTRAL INTELLIGENCE AGENCY
 SOURCES METHODS EXEMPTION 3B2B
 NAZI WAR CRIMES DISCLOSURE ACT
 DATE 2001 2008

13 Jan 59

BEST AVAILABLE COPY

C-O-N-F-I-D-E-N-T-I-A-L

DISSEMINATION: AIR FORCE, ARMY, NAVY, AIR

NO DISSEM ABROAD
 DISSEM LIMITED to full-time employees of CIA, AEC and FBI and, within State and Defense, to the intelligence staff and other offices and higher echelons with their immediate supporting staffs. Not to be disseminated to consultants, contractors, or other persons not on active duty (excepting individuals who are normally full-time employees of CIA, AEC, FBI, State, Defense, or other agencies) unless their originating office has been obtained through the Assistant Director for Central Reference, CIA.

OFFICIAL USE ONLY

- P 7 -

WEST GERMANY
Apr. 23, 1959

CGD MAY DAY APPEAL--The Christian trade union movement, CGD, in its May 1 address calls on all Christian workers to stay united in their determined fight for freedom and to strengthen the solidarity of the free world. This unity, the address continues, however, is threatened from within by radical-socialist intolerance in plants and work councils, as shown by the last work council elections. (Hamburg, DPA, Apr. 21, 1959, 1111 GMT--0)

ACTION AGAINST HAGEMANN--The rector of Muenster University, Wilhels Rudolph, announced Apr. 22 in Muenster that Professor Hagemann, director of the journalism department of Muenster University, has been suspended from office for the time being by the Cultural Ministry of North Rhine-Westphalia. Disciplinary measures had been initiated against Hagemann at the beginning of April because of his comments on foreign and defense questions. Rector Rudolph said that new incriminating facts have become known, not in connection with pending disciplinary actions. Hagemann was expelled from the CDU some time ago. (Hamburg, DPA, Apr. 22, 1959, 1322 GMT--G)

TELEVISION NEWS--The directors of the West German radio stations authorized the director of Radio Hamburg to assume responsibility for newscasts and the daily newscast of German television. (Hamburg, DPA, Apr. 18, 1959, 1558 GMT--G)

KRUPP'S JAPAN VISIT--Alfred Krupp ended his five-week visit to Japan on Apr. 22. Before flying back, Krupp stated that he had had detailed discussions with numerous Japanese industrialists and that Japan is interested in cooperation and an exchange of technical experiences. Krupp emphasized that Japan is very much interested in cooperating with German industry in Southeast Asia. The Japanese press published more than 300 articles about Krupp while he stayed in Japan. (Hamburg, DPA, Apr. 22, 1959, 0810 GMT--G)

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE/METHOD/EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

23 Apr 59

BEST AVAILABLE COPY