

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 still 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 1950 US fiscal year, Turkey got over \$439 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 diving, the Turkish boat may not after all sink in mid-sea.

(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 notes they may make, the promulgators of Allied Control Commission Law No. 27, of May 20, 1946, 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, 1948. 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 design of National Socialism. Among the list of the combinees named were those of Friedrich Flick, Otto Woll, Alfred Krupp, and the Thyssen firm. Both Herr Flick and Herr Woll have fulfilled their obligations. The Thyssen firm, too, have more or less completed Herr Krupp alone has got conspicuously stuck. Ordered (in the simplest terms) to sell three to six million tons of steel works, he has sold only two to a mine — the Escher/Thyssen — and another with the engaging name of Constantin der Grosse. After two or three interested enquirers, among them the Italian State Railway, had died off, Constantin der Grosse was sold to the Bochumer Verein, a combinee controlled by Herr Krupp's friend, the Swedish industrialist Wendler-Gren. The steel combinee 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 on 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, of course, a special symbolic association 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 concerned industrialists, has signed a statement undertaking never to go into the coal and steel producing business again. As soon as 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 51

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