

~~FOR~~ COORDINATION WITH State

NAZI WAR CRIMES DISCLOSURE ACT

OUTGOING
AIRGRAM

Department of State

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USIA
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High Authority

In drawing up initial press guidance re Krupp acquisition Bochumer Verein (DEPTEL 11/63 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 has approved under article 66 of ECSC Treaty merger between Bochumer Verein fuer Guusstahlfabrikation 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.

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