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NAZI WAR CRIMES DISCLOSURE ACT

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Memorandum of Conversation

PR 11957

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Non-Application of Settlement Convention with Regard to Further Deconcentration Action

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

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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

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to press the Federal Government on the matter.) The Ambassador indicated that the Thysson 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.

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