

# Allies Agree to Quash Krupp Divestment Edict

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BONN, Aug. 2 — The United States, France and Great Britain have agreed in principle to quash the 1954 order to West Germany's Krupp concern to get rid of its coal and steel holdings.

The decision, which has not been formally announced, marks the final chapter in the rehabilitation of the Krupp firm from hated Nazi wartime arsenal to respected postwar industrial giant doing business around the world.

Diplomatic sources confirmed today that British Ambassador Sir Roger Jackling wrote to Chancellor Kiesinger

Wednesday informing him of the British position.

Foreign Secretary Michael Stewart set down the British position in the House of Commons earlier this year, when he said that recent changes in the Krupp firm had made the order "irrelevant."

Other Western diplomatic sources said a common statement from all three governments was expected soon.

## Foundation Created

The major changes at Krupp have been its conversion into a public corporation, creation of a foundation to manage the firm's affairs in transition from private to public ownership, and the death of its last owner, Alfred Krupp von Bohlen and Halbach one year ago. He was tried and convicted of war crimes after the war.

These factors have virtually negated the point of the 1953 divestment order issued by the Allied High Commission. The order was directed mainly at Krupp himself, and was to insure that the famous family never again used its personal holdings to help build German military might.

The original divestment order was to be carried out within five years. When that time passed, a special Allied committee was set up to deal with yearly requests for extensions.

But as time went by it became obvious that Krupp was not going to comply. Although he claimed never to have found a buyer, it was considered a point of honor among some German magnates not to bid on the holdings.

## Mines Closed

Changing times and economics have forced the Krupp concern to shut down many of its inefficient coal mines and the industrial Ruhr and to diversify.

A statement by the corporation in February branded the divestment order "an achronistic relic of the allied occupation rights" and said it was

highly doubtful if the order could be legally defended.

The order, nevertheless, was one of the last reminders to Germans of their period of humiliation and probation after the war. With a passage of "emergency laws" earlier this year, the Allies also gave up residual rights to monitor telephones and mails in Germany and to intervene in case of an emergency.

Meanwhile, Krupp appears to be pulling out of the financial difficulties that hit it during the recession in 1967 and forced the Bonn government to step in with financial aid. Under the new management of professional businessman Guenter Vogelsang, the company hopes to balance accounts after two years of losses totalling more than \$25 million.

It has gotten rid of its truck division and other losing branches, such as real estate. Future plans include more participation in aircraft production and nuclear reactor development.