

Action Planned against Trade Violators

US HIGH COMMISSIONER JOHN J. McCLOY has recommended to the US Government that shipment of certain strategic commodities from the United States be prohibited to any company or person in Western Germany who "may be engaged in transactions of this nature" with the Soviet orbit.

The proposed ban, prepared after lengthy consideration by HICOG and US governmental departments in Washington, would not affect US food shipments to Germany.

This action followed an announcement by Federal Chancellor Konrad Adenauer that steps would be taken to combat illegal exports and deny scarce raw materials to violators. In a letter to Chancellor Adenauer, Mr. McCloy advised him of the recommendation to Washington. His letter to the chancellor follows.

"I was gratified to learn of your statement, dated April 28, 1951, in which you referred to the objectionable situation prevailing within the Federal Republic in the matter of illegal exports of strategic commodities to the East. I noted particularly the expression of your firm intent to take effective steps in combating such illegal trade and denying scarce raw materials to violators, as one of the steps to be employed.

As you know, the Government of the United States is profoundly concerned with this problem and is endeavoring to find an adequate solution to it in Germany, as well as in other parts of the Western world. Mr. Cattier, chief of the ECA Special Mission to Western Germany, has informed your government that no ECA counterpart funds will be approved for investment in any company

which engages in illegal trade with the East. Recently, General Handy and I agreed to extend operations of the US Customs Unit to the interzonal border of the US Zone, as well as the international border, where it had previously been stationed. Further, as you know, members of my staff in recent weeks have had numerous discussions with representatives of your government, in reference to various aspects of illegal East-West trade. Information received by my staff confirms the serious state of affairs in this field.

In order to supplement measures which have recently been taken or announced, I would like to ask you to institute all measures necessary to prevent any allocation of ECA dollars, or commodity imports for ECA dollars, to any person or company which engages in illegal trade with the Soviet orbit.

I would further like to advise you that I am recommending to my government to prohibit certain exports from the US to any companies or persons in Western Germany who, according to information coming to our attention, may be engaged in transactions of this nature.

Your offer of cooperation in this matter reflects your appreciation of the scope and significance of this problem and a determination to find an appropriate solution to it. This attitude is indeed gratifying, and I would like to ask you to instruct competent members of your government to meet with appropriate members of my staff, in order to arrive at mutually satisfactory arrangements on procedures and administration in this field in accordance with the objectives outlined in the foregoing paragraphs."

US Forces' Derequisitions Exceed 7,000

MORE THAN 7,000 PIECES of property in the US Zone of Germany formerly used by US Forces, have been returned to the control of German authorities.

Each of the items, ranging from hotels to sports fields and from hospitals to huge apartment blocks, has reverted to German jurisdiction through the US Army's and Air Force's efforts — resulting from a vigorous campaign which became effective Jan. 1, 1948 — to reduce to the fullest extent possible the amount of German property holdings under control of US Forces.

All these derequisitions of property have been made as a result of consolidations and other studied economy measures on the part of EUCOM. Particularly worthy of attention is the fact that these were accomplished for the purpose of reducing demands on the German economy to the very minimum, despite the fact that they were carried out during a period when the dependent and troop strength of the command increased materially.

Despite this personnel increase EUCOM has not requisitioned any family housing in the past year. It is not expected that there will be any change in this practice.

The property items were returned between Dec. 31, 1947, and Dec. 31, 1950, with more than 4,100 private homes representing the largest single type of return or derequisitioning. Included in the property restored to the Germans were 216 barracks, 45 schools, 25 hospitals, 858 apartments, 191 hotels, 104 warehouses, 50 factories of all sizes, 191 office buildings, an airport and a post office.

Under the EUCOM property consolidation program, a special section is charged with responsibility for periodic review of all requisitioned property. Property lists are checked, in conjunction with troop consolidation efforts, and facility centralization action such as construction of shopping centers — in order that every square foot of German-owned real estate space can be returned to normal control if it is possible to do so.

At present, property control officials at EUCOM headquarters are continuing surveys of requisitioned German property with a view toward relinquishing control of certain items, through constant examination of holdings, and approving release of those which are not essential to US Forces' requirements.