

# THREE SPHERES

**A Life in  
Politics,  
Business,  
and Music**

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**GUENTER HENLE**

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*A Life in Politics, Business and Music*

THE AUTOBIOGRAPHY OF  
GUENTER HENLE



1971

THE HENRY REGNERY COMPANY • CHICAGO

Translated from the German  
by Annette Jacobsohn

Originally published 1968 as  
**WEGGENOSSE DES JAHRHUNDERTS**  
by Deutsche Verlagsanstalt, Stuttgart

English language edition Copyright © 1970  
by Henry Regnery Co., Chicago, Illinois

Library of Congress Catalog Card No. 77-126150

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## THREE SPHERES



## YOUTH

Having always been a proud son of my native Bavaria, I think of myself as a true South German. I was born in Würzburg, that ancient episcopal residence on the Main River which has been part of Bavaria for only the last 150 years. When I was born in 1899, my father was government assessor and presidential secretary to the governor of Lower Franconia. But soon we moved by way of Regensburg and Hof (where he was district president) to Munich, where he had been appointed to a higher position in the Ministry of the Interior. He was widely acknowledged to be one of the most competent men in the Bavarian administration and had what is generally called a splendid career. He was personally raised to the nobility. During the opening years of the First World War he served as a major in the militia; after 1917 he was president of the government of Würzburg for twelve years, until his retirement. In the difficult days of the chaos following the First World War, he used his superior gifts of leadership without fear or favor to help reestablish respect for the state.

My father was also the author of the Bavarian administrative manuals and of numerous commentaries on administrative law, especially in the field of communal and electoral law. In recognition of his achievements, the University of Würzburg granted him an honorary doctorate and appointed him an honorary senator of the university. The city of Würzburg named a street after him, and in Bad Kissingen, which was in my father's administrative district, there is still a beautiful forest path bearing his name. My father also took a lively interest in the rising generation of civil servants. For many years he conducted courses for young assessors; later in life I often met men who had at-

tended his courses and who remembered gratefully how much he had aided their professional development.

But my father's literary activities extended beyond commentaries on law and administration; he was also the author of many pleasant occasional poems. Once, at a New Year's party at our house in Hof, he composed a few amusing lines for each one of his guests. One of the invited couples unexpectedly brought with them a young girl, their house guest, whose own date for the evening had been canceled at the last moment. She could not be allowed to go without her greeting, and so with a smile, my father turned to her with the following, quickly improvised verse:

And to you, my pretty guest  
Of many a virtue surely possessed—  
Your youth, for one—  
I have no words to say  
But "Welcome to our house today!"

Everyone applauded, and no doubt this is why I still recall these lines.

My father was a man of many interests. He was thoroughly familiar with ancient and modern history to a degree usually seen only in men of the previous generation. Though he himself did not play an instrument, he loved music, and he loved the opera and the theater even more. He was always eager to go to the theater with us and later with his grandchildren. Another characteristic I inherited from him was his gift for concentration, which enabled him to work undisturbed by almost any amount of commotion. We children were allowed to tumble about as we pleased in his presence. If we became too boisterous he would merely grumble, "Shameless rascals!" My attitude toward my children has been the same and they, too, have taken ample advantage of it.

Finally, my father had an exceptionally good sense of humor. Even today some of his sayings are still quoted by the family. The daughters of my sister Ilse, who knew their grandfather well, have retained many happy memories of him. When as small girls they came to visit him in Munich, they immediately made for his typewriter, which was then not as ordinary a piece of equipment as it is today. Once, in anticipation of their arrival, their grandfather affixed a small black flag at half-mast to the machine.

I never ceased to be impressed by the soundness of my father's judg-

ment, not only in the fields in which he was expert—the law, administration, and politics—but also in human and personal matters. He set me a living example of responsibility and deep moral seriousness that exerted a decisive influence on my mind and character.

My mother, petite and elegant, with exquisite dark-blue eyes, was regarded as one of the most charming women of the Bavarian capital. She had a sunny and innocent temperament and even in her old age—she lived to be almost eighty—could find pleasure in the smallest things. Her charm was such that everyone was drawn to her, and it was only natural that my parents kept an open house. My sister and I adored our mother. As children we were once allowed to attend an amateur performance in which my mother played the tragic heroine. Though our parents told us the plot beforehand, both of us cried so loudly that we had to leave the room.

My mother had spent her youth in Constantinople, and we never stopped begging her to tell us about the “olden days,” for her life had been almost like a fairy tale. The stories usually began with “Granny,” our grandmother who had been born in Cuba on one of her father’s sugar plantations. The plantation had been bought during the days of slavery by our great-grandfather, whose ancestors had come to America on the *Mayflower*. Our grandmother used to tell the most entertaining stories of the days of her youth in Cuba. When our great-grandfather died, his widow took her children to New York. There Granny married our grandfather, William Albert, the owner of a toy store. Five of his daughters, among them my mother, were born there. When William Albert’s attempt to enlarge his business resulted in bankruptcy, his family in Frankfurt put him in touch with a prominent firm of English private bankers. With their help he was sent in 1875 to Constantinople as manager of the Metropolitan Railways, Ltd. My mother was then two years old.

Our grandfather had left America and Granny was to follow him in one of the next ships, when her friends tried to persuade her not to travel on the ancient vessel on which her passage was booked, but to take one of the very new, fast ships that was leaving at the same time. Granny replied, “I shall do what my husband told me to do.” The new ship went down in the Atlantic; the old one took her and her five daughters safely to Europe, although all of them suffered terribly from seasickness. To add to their troubles, their black nurse disembarked with all the luggage in an English port, never to be seen again.

The Metropolitan Railways, Ltd., in Constantinople, known as the "tunnel railway," is a kind of cable railway connecting the district of Galata with Pera; it is still in operation today. The entire family could travel free, and the children (two more sons and a daughter had been born) were on the friendliest terms with the entire staff. Our mother liked to tell us what fun life was in Constantinople in those days. Managing the railroad did not take up too much of grandfather's time. He was a popular figure in business and social circles and a close friend of a man who played an important role in Turkey, the Baron (later Field Marshal) von der Goltz-Pascha. Grandfather kept an open house, was both the American consul and the president of the German club "Teutonia," and other things besides. Resplendent in top hat and cut-away, he could be seen every weekday at six o'clock sipping champagne and holding court in the Café "Le Bon" on the Grande Rue de Pera. He liked to boast of his daughters and told everyone that each one of them was worth a million to him. When he was seen walking in their company, people would say, "Here comes Herr Albert with his five million." Every Sunday at noon our grandparents assembled the whole family for dinner, and in the afternoon at teatime they had their "at home."

On Friday, the Moslem Sunday, grandfather enjoyed taking a ride in his carriage, a landau drawn by two black horses. Next to him sat his wife with her fashionable bonnet and her parasol; the children were seated opposite, and the coachman, Ali, dressed in livery and fez, was all deference and dignity. If grandfather had to attend an official affair or reception, an additional servant rode on the box.

In winter the carriage took them to what were known as the "sweet waters of Europe." Here people met their friends and conversed from carriage to carriage. In the spring, they drove from their summer residence on the Bosphorus to the Belgrade Woods, where Godfrey of Bouillon and his crusaders are said to have camped. The summer months were spent in Germany where almost all the daughters were married. When grandfather wrote to us it was always in verse form. In 1907, after thirty-two years of service in Constantinople, he retired, and died a few years later in Frankfurt.

Grandmother's first language had been Spanish and only later did she learn English. Although she was married to a German for fifty years and lived almost exclusively among German-speaking people, she hardly knew more than fifty words of the language. These she used rather arbitrarily in a kind of German-English *mélange* that was a

source of great amusement for us. Once, when riding in a hackney coach, she was incensed at the amount of the fare: "What, sixty cents? That is far too much! Here is a dollar. That is quite enough for you!"

Small wonder, then, that my mother brought an air of sophistication to her marriage with a Bavarian civil servant. My sister Ilse and I, only a year apart, were so attached to our parents that when we were naughty the most terrible threat they could utter was that we might be sent to boarding school. To leave home—that was unthinkable.

It was in Munich that I grew up. No one who was not alive then can imagine the untroubled gaiety and sheer pleasure in living that filled both young and old during those first fourteen years of our century. When my older sister Ilse entered school, I began to learn with her, and when I reached school age I skipped the first grade. Circumstances also enabled me to shorten my university studies by one year so that I cheated the pedagogues by a total of two years. In Munich I also had my first lessons with the inevitable female piano teachers. At fifteen I finally met my unforgettable teacher, the well-known Professor Walther Lampe, who was an outstanding interpreter of Mozart. I also was initiated into the secrets of the violin by the highly respected and lively Munich violinist, Herma Studeny. She and I have remained lifelong friends and occasionally I have accompanied her on the piano at concerts.

At the outbreak of the First World War I was afraid that it might end before I could take part in it. But when I reached seventeen, the war showed no signs of abating, and in 1916 I enlisted in the Seventh Royal Bavarian Field Artillery Regiment in Munich. A little later I was transferred to the Eleventh Bavarian Field Artillery Regiment as an ensign. This regiment was stationed in Würzburg, where my parents had moved in the meantime. Early in 1917 we were sent to the Western Front, where I spent the rest of the war. My battery commander, killed in 1918, was Lieutenant Hans Rueff, in civilian life an unsalaried university lecturer in Germanic studies. A very conscientious and demanding officer, he was yet a man of great intelligence and understanding. I still remember with gratitude our many conversations about literature and other subjects, which greatly stimulated my intellectual development. I received the Iron Cross, First Class, before I was promoted to second lieutenant.

At the beginning of 1918 I was transferred for several months for training as an observer in the air force. Beginnings are always difficult: when anyone spoke of "driving" instead of "flying" he had to pay five

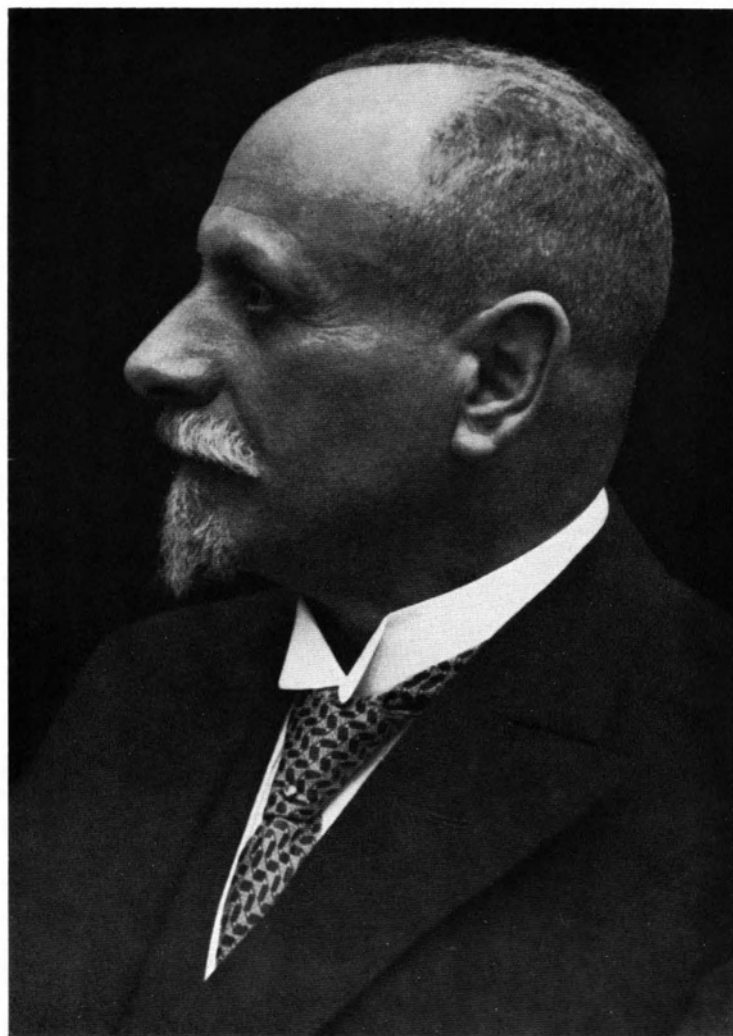
marks into the drinking kitty, a rule one learned about, of course, only after one had broken it. My first flight was comparable to the first trip of a beginner into a coal mine; the pilot made this experience especially hair-raising by omitting none of the possible stunts that could be executed in those single-engine open planes. As a finale the descent was performed by diving down from a great height in a corkscrew pattern, but we from Munich had been prepared for this on the giant swings of the October Fair.

The large-scale German spring offensives on the Western Front had come to a standstill after the Allied counteroffensives forced the German lines to be pulled back. In the late summer of 1918 it became clear even in our front sector that the end was near. I distinctly remember one particular experience: On September 2, 1918, we were the target of one of the large-scale Allied attacks. Our group commander, Major R., had already given the order for pulling back, as was his habit, when Lieutenant Hauenschild, the oldest of his three battery commanders, took over the command of the group and, ignoring the order to retreat, remained in position. The infantry around us naturally greeted this unexpected protection from the Allied artillery with great joy; by braking the momentum of the attack, it considerably facilitated our retreat. After the war, Hauenschild received the Bavarian Max-Joseph Order (the equivalent of the Prussian *Pour le Mérite*) and was personally ennobled. I myself was one of the crown witnesses when the order was awarded. Hauenschild, one of the regiment's most likable and courageous officers, later joined the Reichswehr and took part in the Second World War as a general and commander of a panzer division. He was one of the first to receive the Knight's Cross, but was severely wounded and died soon after the war. He was a shining example of a responsible, brave officer and admirable comrade.

On our march home I was sent ahead as quartermaster of my group and reached our garrison in Würzburg on the last day before the university entrance examinations closed (they had been postponed because of the war). Instead of going straight home, I went first to the university, which saved me a whole semester. On December 2 my regiment reached Würzburg, where the population received us with flowers and the city fathers welcomed us. We were demobilized in Rimpar, near Würzburg. In the meantime I had begun my studies in law and economics in Würzburg; later I transferred to Marburg and then returned to Würzburg. For former members of the armed forces

the university year had been divided into three terms in order to enable us to graduate earlier. I also took part twice in fighting the communist Spartakus movement in Bavaria and Thuringia and was an active member of two fraternities. Finally I began to write my doctoral dissertation and was thus ready to sit for the doctoral and higher civil service examinations in the summer of 1920. To my own surprise I was granted the doctoral degree *magna cum laude*. It was then still the custom to appear for the examination dressed in formal attire and, in our case, ornamented with all our military awards in order to impress the professors, who treated us with the greatest consideration.

After graduation I began to work as a postgraduate in law and also to study music in Munich. I was not certain what profession to choose. Law interested me, and family tradition would have made it an obvious choice, but my love for music, which had claimed me in early youth, was just as great, even though there had been no professional musicians in my family. The diplomatic service also had attractions for me, and when my inquiry at the Foreign Ministry in Berlin met with an encouraging reply, I quickly decided for the diplomatic service even before my apprenticeship in either of the two other professions had been completed.



Dr. h. c. Julius von Henle (1864–1944), the author's father

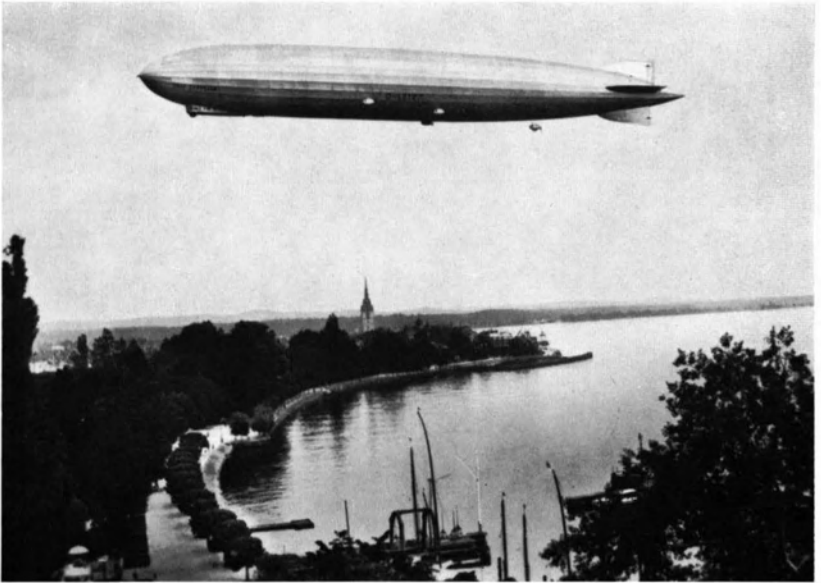




Lida von Henle, née Albert (1873—1953), the author's mother,  
as a young woman



The former Foreign Office at Berlin, Wilhelmstraße



The airship "Graf Zeppelin" on its first trip to South America in 1931

The passenger-cabin in the airship





## POLITICS AND BUSINESS

*Foreign Ministry  
Berlin and the Netherlands (1921–1925)*

On July 1, 1921, I entered the Foreign Ministry in the Wilhelmstrasse as attaché—the rather high-sounding title carried by all aspirants for higher positions in the foreign service. My initiation into the mysteries of diplomacy came at a turbulent time. The London Ultimatum, which had established the German reparation payments at 132 billion gold marks, was followed in quick succession by the League of Nations' decision on Upper Silesia, the conferences of Cannes and Genoa in 1922, which resulted in the Treaty of Rapallo, and finally, in 1923, by the outbreak of the Ruhr troubles which continued until the complete collapse of the German mark. Only then were Stresemann and the politicians of the French Left able to bring about a détente in Europe.

As young attachés we had, of course, nothing to do with these great political events, even though their repercussions were apparent in our day-to-day tasks. Our main job was to learn the things that really mattered in the foreign service: first, for example, the golden rule that a diplomat always knows everything in advance; second, that he never makes prophecies because things always turn out differently; and third, that he must never doubt his own worth.

The German public at that time had rather mixed feelings about the Foreign Ministry. As an institution it was always the butt of innumerable jokes and much sarcasm. During the First World War a more than life-size wood statue of Hindenburg had been erected near

the victory column in Berlin, and everyone who contributed to the war emergency fund was allowed to hammer in a nail. To the question of what was to be done with this statue once it had been "nailed up" completely (in Berlin slang, "nailed up" [*vernagelt*] means "very stupid"), the answer was "Send it to the Foreign Ministry, of course."

On the other hand the men at the Foreign Ministry were also greatly respected, regarded in fact as the real makers of German foreign policy, although in truth they were only its administrators. This misconception has persisted for a long time, to some extent even to this day. In reality, of course, during the time of the Weimar Republic, as before, foreign policy was made by the Reich government; since Bismarck's time the foreign service had been drilled to follow the course handed down from above. This is the only valid explanation of why this service was able to function quite successfully under men such as Bismarck and, later, Stresemann, but seemed to break down under Caprivi or Bethmann-Hollweg, and to become completely inconsequential and rudderless under Hitler.

In the period after the First World War, it was not only the Foreign Ministry that was ridiculed—other high government offices hardly fared better. Even to be a minister of the Reich was not exactly a mark of distinction, probably because of both the frequent change of cabinets and the unrealistic expectations people had of the government after the lost war. One story told during my time in Berlin was that someone had telephoned a wrong number and asked, "May I speak to the Minister?" An indignant voice replied, "There is no Minister here, we are decent people."

At the beginning of the 'twenties the German Foreign Ministry was divided into a great number of departments, presided over by the Foreign Minister and the Undersecretary, whose offices were in the "Wine Department,"\* facing the Wilhelmstrasse and were of course much better furnished than the regular offices. After the restoration of Wilhelmstrasse 76 the "Wine Department" was actually housed in the same suite that Bismarck had occupied. Thus history breathed in these rooms and corridors, but a young attaché hardly had much business there. "Morning Prayers," too—the daily press conferences chaired by the Undersecretary in which verbal directives also were issued to the departments—were open only to a limited number of senior officials. We attachés first had to learn "shirt making," folding one-half of

\*Because, in old-fashioned restaurants, wine was served in the more elegant section.

a legal-sized sheet around a memorandum that had been received and entering on it, in copybook writing and according to time-honored formulas, whatever highly important disposition was to be made of it—whether it was to be copied and sent on, or answered in accordance with prescribed so-called “similes,” or whatever.

Of more interest was the reading of the “Good Comrade,”\* a regularly appearing collection of unusually important or interesting reports from our missions abroad, which was distributed to the special sections in our office and to all German foreign missions. Naturally it was the ambition of every young diplomat, and perhaps also of his more highly placed colleagues, to see one of his reports included in this collection.

Sunday office hours at the Wilhelmstrasse, which were rotated among the attachés in compensation for claiming our free time, were occasionally also rather interesting. We had to read all the telegrams arriving that day from our embassies abroad and to submit them to the Undersecretary who usually appeared at the office in the course of the morning. If one of the cables seemed sufficiently important or urgent we were instructed to call the Undersecretary at home and ask for instructions. I still remember my first day on Sunday duty. Naturally I was hoping that something world-shaking would occur and that I could then personally pull a lever in the great machinery of world politics. Some of the cables seemed rather important to me and I almost called the Undersecretary (who at that time was Edgar Haniel von Haimhausen, a career diplomat and scion of the well-known industrial family). When he later came to the office and looked through the cables I had eagerly handed to him, he said with a yawn: “Well, as usual, nothing of importance.”

The first foreign ministers under whom I served were Rosen, Rathenau, Wirth (who also held the office of Reich Chancellor), and later, in the cabinet of Cuno, von Rosenberg. Rathenau was by far the most eminent of these men. His appearance alone was impressive: bald-headed and wearing a goatee, he was a large, well-built man with eyes that radiated intelligence. During the short time he was Foreign Minister he made it his business to meet many young attachés personally. Only a few days before his violent death I was a guest in his official residence, situated in the garden behind the Foreign Ministry.

Chancellor Wirth was in office for about eighteen months in the early 'twenties. During this period the London Ultimatum was de-

\*Taken from the name of a magazine for young people.

livered, Rathenau and the former Reich Finance Minister Erzberger were murdered, and the Law for the Protection of the Republic was promulgated in order to halt the wild excesses of the radical Right. Wirth later settled in Switzerland to escape the Nazis. After the Second World War, and during the last years of his life, he made an unsuccessful attempt to resume a political role in the German Federal Republic as an advocate of closer relations with Moscow. I remember Chancellor Wirth, then also Foreign Minister, making a witty speech at the attachés' Christmas party, during which he said that when he assumed office one of his friends defined the word "colleague" for him: "A colleague is someone to be careful of."

The son of Foreign Minister Rosen and I had entered the foreign service at the same time and we shared a room. As a colleague he showed no sign of the virus of which Wirth had spoken. It was not long before he took me to dinner in his parents' house, the ministerial villa. I was a frequent guest there later, too, under Rosen's successors and finally during Stresemann's term in office. I am still on terms of friendship with Stresemann's oldest son Wolfgang, who is now the distinguished director of the Berlin Philharmonic Orchestra.

During a reception given by Foreign Minister Rosen and his wife, I met Albert Einstein, who was also an ardent violinist. His huge head was an imposing sight—if I remember rightly, his hair was even then completely white. (While we were still high school students a select group of us had tried to follow the esoteric flights of his relativity theory.) Once in Rosen's house I had the opportunity to play music with the great scholar, the kind of event that is more likely to gain recognition for a young attaché than a display of political wisdom.

Important personages such as Albert Einstein, who are also amateur musicians, naturally sometimes get the opportunity to play with outstanding musicians. The story goes that Einstein once played a sonata for violin and piano with pianist Arthur Rubinstein. Again and again Einstein missed his entry on the fourth beat until Rubinstein finally cried out in despair, "For Heaven's sake, Herr Professor, can't you even count to four?"

Foreign Minister Rosen himself was a man of great culture and learning, with an unusual gift for languages. If I remember correctly, he had originally been interpreter at the German embassy in Constantinople where the Kaiser had noticed him on a visit and had him assigned to the consular and later to the diplomatic service. Rosen told us of a young diplomat who had been transferred from Washington to



Lisbon where Rosen at the time was ambassador. On receiving the young man for the first time, Rosen asked him whether he had any special interests and received the prompt answer, "Housekeeping." No one who knew Alfred Horstmann, the young man in question (who was generally known as Freddy), at all closely will be surprised at this reply. He was my immediate superior during the greater part of my service as attaché and I got to know him quite well. His style of living, characterized by inordinate snobbery, was also marked by good taste and an appreciation of art; he possessed a healthy degree of political acumen accompanied by inveterate laziness. At any event, one could learn something from him—to be able to keep a fashionable, well-run household is, after all, a useful art for a diplomat. After the war Horstmann perished miserably in a Communist concentration camp. His wife (a von Schwabach by birth) later wrote a widely read book, *Nothing for Tears*, about the last period of their life together.

The end of the war in 1918 brought no drastic changes in the German Foreign Ministry. It continued to occupy the row of buildings on the Wilhelmstrasse, steeped in the Bismarckian tradition. The continuity between the foreign service of the Empire and that of the Weimar Republic remained unbroken, and its senior officials, in particular, had almost all grown up in the imperial service. Many things, of course, did change after 1918, particularly the principles for the selection of new men. Nevertheless, there was little friction in forging a new diplomatic corps, and surprisingly quickly it developed an inner cohesion that it maintained into the Nazi period. The present-day German foreign service had a much more difficult problem because in 1945 the Allies insisted on breaking up the whole existing apparatus. Only after an interruption of five years could the service be rebuilt, but under extraordinarily difficult conditions. This should not be overlooked whenever comparisons are made between then and now.

The cultural life that blossomed in Berlin soon after the war was impressive, and my time was not spent exclusively in learning the art of diplomacy. Music, especially, soon cast its spell over me again. Today in Germany we may indeed feel impoverished when we remember the many great men who could then be heard in Berlin: the conductors Arthur Nikisch, Leo Blech, Bruno Walter, Willem Mengelberg, Carl Muck, Wilhelm Furtwängler, and Fritz Busch; the pianists Eugène d'Albert, Conrad Ansorge, Artur Schnabel, Ferruccio Busoni, Emil

von Sauer, Frederick Lamond, Edwin Fischer, Claudio Arrau, Alfred Cortot, Wilhelm Backhaus, and Walter Giesecking; the Klingler quartet and the Capet quartet; the violinists Adolf Busch, Fritz Kreisler, Carl Flesch, Bronislaw Huberman, Joseph Szigeti, Mischa Elman, Jacques Thibaud; and finally, one of the greatest of them, the cellist Pablo Casals.

The only musician I came to know well was Frederick Lamond, who was considered one of the best Beethoven interpreters of that time—a time that was truly rich in great pianists. I wanted to develop my piano technique further and found Lamond to be a most stimulating teacher, although I could not play for him or listen to him very often because he was so frequently on tour. His wife was Irene Triesch, one of the best-known and best-loved actresses of that time. I always arranged my appointments with the master through her and did my best to prolong these delightful conversations as much as I could.

At the beginning of 1923 I renewed my acquaintance with aviation. I had the opportunity to make a trip in a balloon from Bitterfeld in the company of Herr von Abercron, a pioneer of balloon flight, and some others. The fascinating element was, of course, that none of us knew where we would land. Without mishap we came down near Leipzig.

Our term as attachés terminated with an extensive written and oral examination, the first to be held after the war. My first assignment, to be completed in four weeks, was in international law. It had been assigned by Assistant Secretary (later Undersecretary) Friedrich Gaus in the Foreign Ministry, who was the legal member of our board of examiners. Gaus was an unusually gifted jurist who excelled also in the formulation of diplomatic documents, a talent that eventually brought him international renown. Unfortunately, his role during the Nazi regime and the subsequent period was anything but edifying; he was all too pliable in the hands of whomever was in power. At the Nuremberg trials, presumably under pressure from the prosecution, he allowed his name to be used for a sort of general confession of guilt by the German civil service, for which he possessed no mandate whatever. At the time of our examination, however, he was Chief Legal Officer of the Foreign Ministry and held in high esteem. After I had completed the paper, I spent several days in Hamburg to prepare for another assignment concerning the reconstruction of the German merchant marine. The oral examination took place at the end of May. The

examining committee consisted of the Foreign Minister himself or, in his place, the Undersecretary, and Professor Gothein (Heidelberg) for political economy, Professor Oncken (Heidelberg) for modern history, Assistant Secretary Gaus for legal subjects, and Dr. Roselius (Bremen) as the representative of commerce and industry.

Gothein, Oncken, and Roselius were widely known and respected men. Eberhard Gothein was a veritable polyhistor, equally well-versed in economics, political science, the history of religion, and history itself. He arranged to give our examination period a stimulating start by inviting us to accompany him on a tour of industrial plants and a model forest near Eberswalde. He also introduced us to various leaders of industry, among them Hugo Stinnes, for brief discussion sessions. Gothein was a brother of Georg Gothein, the Democratic member of the Reichstag and former Finance Minister. Hermann Oncken was a disciple of the historian Leopold van Ranke and a proponent of rigorous objectivity and scientific methodology in the writing of history; this led to his being speedily and prematurely retired by the Nazis, for whom objectivity was a major crime.

Ludwig Roselius, last but not least, was known not only as a prominent Bremen merchant and the inventor of the method for producing caffeine-free coffee (Kaffee HAG), but also as a patron of the arts. His home town is indebted to him for, among other things, the well-known Böttcherstrasse, where old and new buildings have been brought into a harmonious architectural relationship. Prior to the examination he had apparently glanced through our personal files and began by asking me a question about the economic aspects of the music instrument industry. I replied amid cheerful laughter that my knowledge of music was entirely practical. This, incidentally, was the first time that the Foreign Ministry attempted to have its examinations held by a board of this kind, and the examiners may have been under the impression that we represented the élite of the new generation of diplomats. Whether they still thought so after the examinations is another question!

The next phase in my career consisted of service in various foreign missions as secretary of legation and vice consul. At the end of 1923 I was transferred to the Netherlands, first to the consulate general in Amsterdam and shortly afterwards to the embassy in The Hague.

This was a time of new political beginnings. Germany was slowly recovering from the collapse of its currency and at the same time trying to cope with the result of the long years of inflation that had

led to the impoverishment and proletarianization of many of its citizens. The great powers at last took the first steps to deal more rationally with the question of German reparations, the previous policy having largely contributed to the breakdown of the German economy. In April 1924 the Dawes Plan was born, named after Charles G. Dawes, the chairman of the international committee of experts that had authored it. (Dawes, an American banker, was a general during the First World War and later vice president of the United States.) In the summer of 1924 the plan was ratified by the nations participating in the London Conference. Fortunately France was no longer represented by Poincaré, Germany's unrelenting and lifelong enemy, but by Herriot who was more inclined toward conciliation. In London Stresemann was able to persuade him to combine acceptance of the Dawes Plan with withdrawal from the Ruhr, although not until another year had passed. This ended the Ruhr conflict of 1923 and marked a turning point in the international political situation between the two world wars. The trend toward a *détente* in German-French relations did not, however, gain momentum until the spring of 1925 when Briand became Foreign Minister of France. He was a partner with whom Stresemann could venture to enter upon a new course, which eventually resulted in the Treaty of Locarno and finally (though not until several years later) the end of the French occupation of the Rhineland.

A young diplomat in Amsterdam and The Hague naturally had little opportunity to participate significantly in international politics. The Consul General, Prince Hatzfeldt-Trachenberg, was an amiable gentleman who spoke in a high falsetto and discharged his duties without any notable show of imagination. All the more satisfying were my cultural diversions in Amsterdam. I was a habitué of the Concertgebouw Orchestra and met its two conductors, Willem Mengelberg and Carl Muck. Mengelberg was not only an outstanding interpreter but also an excellent, although pitiless, drillmaster of orchestras. Muck, also one of the leading masters of the baton, resembled Richard Wagner to a startling degree, a fact that led, of course, to many dubious speculations. He led the orchestra during the second half of the winter season while Mengelberg conducted in the United States. Muck once said that at the beginning of "his" season he always had the feeling that he was facing a rather intimidated group of musicians.

For about the first three months my Sundays in Amsterdam were

spent at the Rijksmuseum, where I developed my love for Dutch painting of the seventeenth century. During my first few weeks in Amsterdam I suffered the recurrent nightmare that I had suddenly been transferred again—I wanted to stay until I had come to know each one of the paintings in that unique museum.

The time I subsequently spent in The Hague was professionally more rewarding. While the smaller countries at that time played a lesser role in the concert of the powers than they do today in EEC and NATO, various items of political interest could be learned in their capitals by way of the courts, the politicians, and the diplomats.

I have especially pleasant memories of the social contacts I made during that time in Holland, particularly my visits to the home of the Baroness van Tuyll van Serooskerken, the First Lady of the Queen's Household, who was also an excellent violinist with whom I often played duets. I was also a frequent visitor at the homes of Frau Katarina von Pannwitz and of Baron von der Heydt (only recently deceased) who was then the well-known owner of an Amsterdam banking house. Frau von Pannwitz, a native of Argentina and a widow, was a very wealthy lady whose beautiful palatial residence named Hartekamp (not far from Haarlem) also contained a magnificent picture gallery. At that time one could meet almost anyone of consequence there. A frequent guest was the former Grand Duke of Oldenburg, whom I once met on a weekend visit. As we had no ball boy when we played tennis the old gentleman helped us pick up the balls; I venture to say that not many tennis players have been privileged to have a retired Grand Duke as ball boy.

Baron von der Heydt, who later retired to spend his last years in Ascona in Switzerland, bequeathed his extensive treasures of art objects of every kind, particularly from east Asia and other exotic regions, to museums in Wuppertal and Zurich. At the time I met him he was still married to a sister of Freddy Horstmann's wife and lived in the seaside resort of Zandvoort. Two or three nondescript looking fishermen's cottages had been combined to form his home, which also housed his art treasures. His wife's family, the Schwabachs, were a banking family highly regarded in Berlin society, but were, perhaps, somewhat too quick and eager to cultivate relations with the representatives of our former adversaries (the situation then was different than after the Second World War). I again met the young and charming Baroness von der Heydt, who was subsequently divorced, when she

came to London, where she had connections, some years later as an emigrant.

### *Diplomatic Service in South America (1925–1929)*

In May 1925 I was transferred to Buenos Aires at my own request, an exceptional privilege as personal preferences were seldom considered. I served altogether three and a half years in South America, and have since visited that continent several times, traveling first by steamship, then in the dirigible *Graf Zeppelin*, eventually by ever faster planes.

On my first journey there I naturally had particularly high expectations. At that time only the favored few were able to travel the tremendous distance, almost halfway around the world, to that faraway continent. I had no illusions regarding the importance of Buenos Aires in international politics, but as a young man I was attracted by the idea of viewing the world for a while from another vantage point, of seeing countries that were still young, had a very different way of life and offered a multitude of possibilities for development, both economically and culturally, in which Germans might also play a part.

Once arrived I found, unfortunately, that our own dear countrymen were one of the chief problems for German diplomats in Argentina. In the 1920s the German community in Buenos Aires was just about the most difficult to be encountered anywhere. In one's official capacity one was either on the outs with the larger section of the colony, which was inflexibly nationalist and had an effective lobby in Berlin, or with the other group which was pro-Republican. If one tried to avoid close contact with them both, one fell between the proverbial two stools. For the poor diplomat the situation was, at that time at least, quite hopeless. Whatever he did was wrong, and there was no end to the letters of complaint from the German colony to the Foreign Ministry in Berlin. On all sorts of occasions the differences of opinion led to explosions.

The hub of the "upper" strata of the German colony in Buenos Aires was the German Club. Its members evaluated themselves and each other solely according to the size of their bank balances. There were strict social divisions: one table was reserved for the owners of businesses, the executives and managers sat at another table and the head

clerks at a third, while the run-of-the-mill employees were assigned to the remaining tables.

The visits of distinguished personages, European and otherwise, were always important events at the missions in South America. I particularly recall my encounter with the last King of Saxony, a man known for his robust language. (For example, when he abdicated as king he said, "All right, now you can take care of your own mess!") Less than ten years later he paid a visit to Brazil where I briefly attended him in place of the absent consul general of São Paulo. First there was a highly ceremonious reception arranged by the host, the German abbot of a Benedictine monastery where the King was staying. After being solemnly led to a chair of state on which the King was seated, I was allowed to stand reverently and finally to sit down opposite him. However, as soon as His Majesty opened his mouth, things became very human. Within a few minutes King Friedrich August told me of a visit he had paid to a region in southern Brazil settled predominantly by Germans. At a backwoods railroad station consisting of a few corrugated iron huts, he asked the Negro stationmaster in his fractured Portuguese when the next train was due. The stationmaster only shrugged his shoulders in reply. Irritated, the King said to his companion in his usual racy German, "This idiot doesn't even understand his own language!" At that the stationmaster turned around with a radiant smile and said, "Why didn't you talk to me in German in the first place?"

In addition to the King of Saxony we had several other interesting visitors from Europe and North America during those years, among them Lloyd George, the British statesman who had been Prime Minister from 1916 to 1922, with whom I had a lively chance conversation at a dinner given in his honor in São Paulo. During the First World War in England he was a symbol of firmness for the British people, similar to the role played by Winston Churchill during the Second World War. He is the author of the famous saying, "We made terrible mistakes during the war but had the good fortune that our enemies made even worse mistakes." After 1918 he favored a moderate policy towards Britain's former enemy, and this led to many clashes between London and Paris. He made a deep impression on me in São Paulo. I had seen his picture with the white mane of hair often enough, but only now was I to become acquainted with his sparkling vitality and the rhetorical gifts he displayed in his after-dinner speech. He instantly won over the Paulistas,

who are the world's greatest coffee producers, with his introductory remarks: He said he knew now what to do when feeling ill at ease while making a speech—take a cup of Brazilian coffee and all inhibitions are gone . . .

A big event for Spanish America was the first flight from Spain to Buenos Aires by the Spanish aviator Ramón Franco in 1926 (he was a brother of the present Spanish chief-of-state). Franco flew what would today be considered a diminutive plane, made numerous landings en route, and allowed himself to be extravagantly fêted in the various countries. As a result the journey took a very long time. The story goes that he once flew over a sailboat and called down to ask whether its passengers would like to ride with him. They answered, "No, thank you, we are a little pressed for time."

Among the Germans who visited South America, Erich Kleiber, the Austrian-born chief conductor at Berlin, has a special place in my memory. He came to Buenos Aires as guest conductor of the city's orchestra and was unusually well received. After a rapid rise to fame he had been appointed some years before, young as he was, musical director of the Berlin State Opera—next to the Vienna Opera the most coveted position for a conductor in Europe. Kleiber and I became close friends. In fact, I can claim to have had a decisive influence on his life because I once brought a very lovely young American girl to a rehearsal, and they promptly became engaged the following week. During rehearsals, which I attended as often as I could, I always noticed that the whole orchestra listened to the great conductor with supreme concentration when he elaborated his concept of the music or gave directions how it was to be played. When the last rehearsal was over and Kleiber laid down his baton I heard the concertmaster sadly say to himself, "Finito," meaning, "What a pity it is all over."

I remember another episode from Kleiber's visit to Buenos Aires. As a friendly gesture the Argentinians had suggested that a German member of the orchestra should play a solo at a concert. Kleiber, although somewhat skeptical, agreed. During rehearsals it became apparent that his skepticism was justified; the dress rehearsal went miserably. Kleiber took the musician aside and said to him in his native Austrian dialect, "Do me a favor—get sick!"

Kleiber's son Carlos, who is my godchild, also has become a conductor and is, I believe, about to enter upon a great career.

The Colón Theater in Buenos Aires, at that time perhaps the most



elegant in the world, and its audience formed a magnificent background for the performances held there. One of the reasons was that, according to the custom of the country, the lovely young Argentine women sat in their most dazzling gowns in the first row of the dress circle so that the rest of the audience had a hard time tearing their eyes away to look occasionally at the stage. Because of this the theater remained half-lit during performances. But anyone interested in what was going on on the stage also got his money's worth. Every winter there was an extended opera season, the first half given over to a German company, the second to an Italian group. Both offered first-class performances and stars from all over the world. On the two Argentine national holidays, which both occur during the winter, the audience, led by the president and the diplomatic corps, went during the main interval into the Golden Room of the Colón Theater where luxurious buffets and champagne were served.

I appeared in Buenos Aires not only as a diplomat but also as a musician, playing the solo part at the local première of Beethoven's Choral Fantasy for Piano, Choir and Orchestra. Some years ago the well-known pianist Hans Richter-Haaser sent me a postcard from Buenos Aires with the message that he had just played the work there and people had told him about that other performance long ago. Thus one becomes immortal!

Another prominent visitor to South America whom I like to remember was the famous Russian dancer Anna Pavlova. A few of us met her after her performance and she told us that the nicest compliment she had ever received was from a chambermaid in a Copenhagen Hotel. The morning after her performance the girl had said to her, "What a blessing it must be, Madame, to be able to help people forget the miseries of the world for a few hours."

In those years all doors were open to a young diplomat in Buenos Aires, including those of the famous Jockey Club. (Unfortunately it burned down completely, including its art treasures, during the 1953 riots in the Argentine capital, which everyone assumes were instigated by Perón himself.) The club housed a library of some importance, but its comfortable club chairs and luxurious sofas usually cradled only sleeping figures, so that some wags dubbed a marble bust standing there "the unknown reader." Over the mantelpiece in one of the reception rooms of the club hung a large portrait of a debonair gentleman and next to it a female nude. When we showed visitors around we explained

mischievously that the one was the portrait of the club's president and the other that of his esteemed wife.

But the life of a diplomat in Argentina involved more than the routine of social rounds in the capital. Anyone who wanted to get a picture of the country had to travel into the interior. Whenever I could, I traveled all over the country, south to the inhospitable region of Patagonia and Tierra del Fuego, west to Chile, and north as far as Brazil, Paraguay, and the region of Misiones, the northeastern border province on the Alto Paraná river.

While I was in Argentina as a German diplomat, twice as *chargé d'affaires*, the country was in the main still agricultural. Because of the distribution of natural resources, each province specialized in one product: central Argentina, with the pampas, was devoted almost exclusively to grain production and cattle raising; the western provinces below the Andes specialized in fruit growing and viniculture; the region further north grew sugar cane; and in the south, Patagonia's fortunes were dependent solely on sheep raising. In the north the Gran Chaco specialized in growing cotton (there was a veritable cotton fever at that time) and Misiones in growing yerba maté. Wherever one looked, agriculture was supreme.

Since then much has changed. When in 1948 I visited Argentina again for the first time after the war, I could hardly recognize Buenos Aires. Its population had grown to more than three million. Stately avenues and skyscrapers had become as common as in Chicago and New York. However, the intensive industrialization that has taken place in much of the country is, unfortunately, by no means an entirely healthy phenomenon, particularly not in those instances where the new industries lack a domestic supply of raw materials. This has resulted in the paradoxical situation that this cattle-raising country experiences temporary meat shortages and that occasionally the consumption of other agricultural products has to be restricted.

This development is no accident. It is due to the long interruption of South American foreign trade during and after the Second World War. Trade with Europe ceased almost entirely and the United States could not provide an adequate substitute. The country's basic resources were therefore left uncultivated, and the emphasis shifted from export trade to the development of native industries. These were intended to help reduce dependence on the United States and close the dollar gap that had developed in South America as well. However, grave errors were

made. Instead of promoting industries that would use the basic agricultural products, manufacture was essentially directed towards consumer goods and agriculture was neglected. In addition, capricious monetary policies aggravated the effect of these misinvestments. The eventual result for Argentina was the officially imposed "meatless days," inflation, and a drop in the value of the peso.

During the years 1946 to 1955, Perón's dictatorship and his so-called "justicialismo" gave considerable impetus to this development. However, Perón did not come to grief over his economic policy but over his battle with the Catholic Church which cost him more sympathizers than his regime could afford to lose. He has bequeathed to his successors a multitude of almost insoluble problems. Foremost among them was the necessity of reeducating the people to increase production, for they had become used to earning more and more for less and less work. The structural imbalance in Argentina's economy also must be corrected; basic agricultural production and foreign trade must again be promoted.

During my stay in South America in the mid-twenties (that is, two or three decades before Perón's dictatorship and fall) the continent experienced gratifying economic progress. Ortega y Gasset, in his book *The Revolt of the Masses*, refers to Argentina, next to the United States, as an example of a rich country. Developments on the international scene were also satisfactory. Germany's relations with the individual South American countries, such as Argentina and Brazil, were of course only indirectly influenced by the world situation, but nevertheless its impact could be felt even there. The overall diplomatic climate was agreeable and we profited from this in our day-to-day contacts within the diplomatic corps. I did not fully realize how much this meant until later, in London, I lived through a period of constantly rising tensions and a worsening of the international political situation. The tranquil atmosphere in which we had been able to do our work in South America soon disappeared in London; time was running out and we were only too much aware of it.

During the three and a half years I served in South America, the total international situation had of course changed considerably. But even when I left for South America in 1925, there were signs that things were taking a more favorable turn for Germany. With the Locarno Treaty it seemed as if the sun had begun to shine again. Stresemann and Briand, both true statesmen, were about to substitute mutual trust and cooperation for the old German-French rivalry, and in 1926 Germany

obtained a permanent seat in the Council of the League of Nations. We seemed to be about to enter an era of peace that was all the more promising because German relations with Soviet Russia also were improving.

There were naturally also some reverses but, relatively speaking, those years, in terms of international politics, were the most satisfactory between the two world wars. At least the overall picture looked very hopeful when I prepared to leave South America and recross the ocean to the old continent.

### *Berlin and London (1929–1936)*

In 1929 I returned to the Wilhelmstrasse for reassignment, only to be subjected, as I soon discovered, to the Foreign Ministry's legendary whimsical routine. In South America I had received a telegram announcing my transfer and recalling me posthaste to Berlin. Thus nothing came of my cherished plans for a return trip via Central America, California, and Alaska. After a number of years of duty in the tropics and subtropics diplomats were entitled to six months' leave, but when I reported to the chief of personnel in Berlin he told me that I had to forget about the leave as I was urgently needed elsewhere. Although I could take a short vacation, I should expect my recall at any moment. After five and a half months I finally received the "urgent" telegram. When I reported to my new chief he remarked jovially, "Well, actually you needn't have been in such a hurry."

For the next two years I was assigned to South American problems at the Foreign Ministry. These were the years of the Young Plan and the two conferences at The Hague, as well as the Wall Street crash of 1929 and the resulting world economic crisis, which came to a head in Germany in the summer of 1931 with the collapse of the Darmstädter und Nationalbank (called the "Danatbank").

These were also the years in which the political course steered by the Weimar Republic became increasingly precarious. In October 1929, Gustav Stresemann died shortly after he had succeeded in concluding an agreement by which the Allies were to withdraw from the Rhineland the following year, five years before the date stipulated by the Treaty of Versailles. In 1930 the evacuation duly took place, but the same year also saw the first presidential emergency decree for the protection of commerce and monetary stability, the dissolution of the Reichstag, and new elections in which the National Socialists achieved a total of 107

seats. It was the National Socialists who benefited most from those years, when so many ignorant individuals and victims of the economic crisis were added to their ranks.

Finally, Germany's foreign policy suffered a severe reverse when in 1931 the objections of France and some other nations forced Germany and Austria to abandon their plan for a customs union. Meanwhile the economic crisis took a much more threatening turn, the number of unemployed rose to almost astronomical heights and the polarization of the domestic struggle became dangerously aggravated. It was, then, during a time of great anxiety about the future that I found myself in Berlin; finally, at the end of 1931, I was transferred to the German embassy in London. My stay there was to be my final extended tour of duty as an official of the German foreign service.

Looking back after four decades on that period in German history (which may well be called the Brüning era, although it only lasted two years), most critics agree that the systematic deflation policy that the Reich government adopted in order to cope with the severe economic and financial crisis was not an effective weapon. Although Brüning's economic policy, enforceable only through emergency decrees, made a start at remedying the ills of the national budget, it did not ultimately succeed in balancing it. Moreover, the policy was totally unsuccessful in reviving economic activity which had come to almost a complete standstill. On the contrary, it further paralyzed the economy so that in 1932 unemployment figures in Germany rose beyond the six million mark, no less than 10 per cent of the entire population.

We have had to pay even more dearly for the psychological consequences of this development than for the material effects. But at the beginning of the thirties there hardly seemed any other road to follow, in view of the catastrophic financial situation of the Reich treasury and the general international trend toward deflation. I, too, was one of those who thought at the time that Brüning's policy was necessary and correct. We were all still acutely conscious of the disastrous effects of the 1923 inflation, which had reduced the value of the German mark to zero. It was for this reason that exactly the opposite course was adopted in 1930, and only today do we know that it was done too one-sidedly.

Ambassador von Hoesch, who shortly afterward was to become my mission chief in London, used to say that he once told Brüning, while the latter was still Chancellor, that during the preceding years he had been most successful in German foreign politics, but that luck had

deserted him in domestic affairs. Even today this is a valid assessment. After the first difficult postwar years German foreign policy under Stresemann had been remarkably successful. Following him, Brüning was able to deal with the extremely complex reparations question so successfully that it was about to be resolved when Hindenburg forced his resignation; his successor, Franz von Papen, who had no part in the achievement, was then able to reap the reward at the Lausanne Conference in 1932. But German domestic policy throughout the Weimar years was ill-fated. Although several attempts were made in the Reichstag to create a center coalition that would back the government's policy consistently, the majority of the voters eventually drifted to the radical Right or Left, doubtlessly influenced also by the international economic crisis and its consequences. The result was the collapse of Germany's parliamentary form of government and its replacement, for a brief period, by a form of presidential rule, which shortly led to the so-called "seizure of power" by the National Socialists, altogether a veritable calvary for the young German republic of 1919.

But however dispiriting a political and economic scene Berlin presented during the thirties, culturally and artistically the capital reached a high point that it never achieved again. Anyone who knew Berlin in those years will recall the city with a mixture of gratitude and sadness. I heard truly magnificent performances directed by Erich Kleiber or Leo Blech in the State Opera House at Unter den Linden and in the Charlottenburg Opera under various other conductors; saw unforgettable stage productions by Max Reinhardt at the Schumann theater; was enraptured by Richard Tauber in *Friederike* and *Land des Lächelns*, by Fritzi Massary in the *Merry Widow*, and by the excitement created around Josephine Baker. The number of outstanding actors in Berlin at that time was almost inexhaustible; I mention only Elisabeth Bergner, as well as Werner Kraus and Maria Bard in *The Emperor of America*, as representatives, so to speak, of all the others. The personal ties of Werner Kraus and Maria Bard gave their performances a unique enchantment.

Technology, too, made great strides in those years and I became especially conscious of it when one day, as specialist in the South American section at the Foreign Ministry, I spoke by telephone with the German chargé d'affaires in Rio de Janeiro. Today one can of course span the oceans by flicking a dial, but then one felt it to be a giant step forward. It was, again, technological progress that brought me once

more into physical contact with South America during my service in Berlin: as representative of the Foreign Ministry I was assigned to accompany Dr. Hugo Eckener, the commandant of the dirigible *Graf Zeppelin*, on its first voyage to Latin America.

The *Graf Zeppelin* had been to the United States six months before and had been received enthusiastically, but because of Dr. Eckener's somewhat unpolished manner there had been some unpleasant incidents, particularly with representatives of the press. This had detracted considerably from the propaganda effect of a venture that had so deeply impressed the world. The German ambassador in Washington, therefore, recommended that on future journeys Herr Eckener be accompanied by a suitable person from the ministry in order to obviate any *faux pas*. I had put this report from the ambassador into my "keep available" file in the hope that when the time came for the South American trip, already in the planning stage, the name of the "suitable person" would be Henle. At the right moment I took the embassy report out and sent it "up." Soon our department head called me in and, apparently impressed by the report, asked me with a sly smile whom I thought suitable for the job. I replied that modesty forbade me to mention any names, the deal was made, and I was given my travel orders.

At the time I wrote a brief report about our journey, some excerpts of which are quoted here as a matter of historic interest:

In Friedrichshafen, on the evening of August 29, 1931, we began this sensational trip which was so unsensational. We passengers took one long last puff at our cigarettes, the last for three days, and entered the zeppelin's gondola. Then the gigantic dirigible was hauled out of the hangar, its nose carefully pointed into the wind, and at the command "Take off!" we immediately rose into the star-studded sky, amidst the shouts and waving of the bystanders. The engines started up and we were en route. In the bright moonlight we had a clear view, as our course took us first over the Lake of Constance and the sparkling waters of the Rhine Falls near Schaffhausen, then across Basle toward the French frontier. Then we turned into the Rhône valley where we met a favorable mistral. When we arose early next morning we had already reached the Golfe de Lion. After the mists had scattered we had a splendid view of the deep-blue expanse of the sea which, with the slim shadow of our airship, was to be our constant companion for several days.

As a flight across water is always much smoother than over land, where the unevenness of the ground always creates air currents and squalls, we set our course along the Spanish coast rather than across the Iberian peninsula. We met many ships of different nations and were almost al-

ways greeted with a clearly heard salute from their sirens. In the afternoon we had a wonderful view of Gibraltar and of Tangier, on the other side of the straits. We then followed the northern coast of Africa and arrived off Casablanca by nightfall.

Our average speed was about 80 miles per hour and we normally flew at an altitude of some 1,500 feet. South of the Canary Islands we entered the area of the Passat, a strong northeast wind that, blowing steadily in our favor, holds sway far beyond the Cape Verde Islands into the region of the equator. It helped to push our ship so well that at times we traveled at more than 90 miles per hour. At noon the next day, ahead of schedule, we reached the Cape Verde Islands, of which we enjoyed a clear, beautiful view. We flew a loop over the main island and the town of Porto Praia and dropped a mailbag by parachute. Naturally, the whole population had turned out and there was a wild scramble for the mailbag. For the next twenty-four hours and for a distance of 1,250 miles we were surrounded only by sky and water.

This part of the journey was particularly suitable for a thorough inspection of our "ship." The dirigible *Graf Zeppelin* was the largest that had then been built. Its gas-filled body measured about 130,000 cubic yards; it was 840 feet long and 100 feet in diameter. It usually had a crew of thirty or, on longer journeys such as ours, forty men. There was room for thirty-five passengers for day journeys and for twenty for overnight trips. In addition, it could carry a substantial amount of freight, mail, and luggage; altogether its average payload was 33,000 pounds.

Fairly far toward the nose was the main gondola, which accommodated the captain, the officers, and the passengers. The foremost part housed the steering cabin and, behind it, the map and navigation room. From this room, to which passengers occasionally had access, one had a truly spectacular panoramic view of the earth or the sea by day or night. Adjoining the navigation room was the radio room and then the electric kitchen. After that came the passengers' lounge, 15 by 15 feet square, with comfortable chairs and a dining area where excellent and abundant meals were served on tables laid with white cloths and china and silverware. Then followed a corridor with sleeping cabins on both sides, each room with two berths, one above the other. Two adjoining washrooms were equipped with two wash basins each and hot and cold running water, one's desire for cleanliness being limited only by the warning to use the water sparingly. From there a door led into the actual body of the dirigible, which could be traversed lengthwise along a narrow gangway; cross-aisles on each side led up to the individual engine gondolas. On each side of the gangway were the sleeping quarters and cabins of the crew; there, too, everything necessary for the journey was stored—such



as food, water tanks, tools, gasoline drums, spare parts, and of course the mail, freight, and luggage.

Life in the gondola was comfortable, the flight perfectly smooth. No one even thought of air sickness. The noise of the engines was like the sound of a distant waterfall. It was not nearly as loud as in an airplane and one could talk without raising one's voice. There was only *one* drawback—no smoking!

Under Dr. Eckener's command the zeppelin was in good hands. He was *the* acknowledged pioneer of lighter-than-air navigation, and all the voyages of the zeppelin to various parts of the world had taken place under his direction. He was a self-assured, resolute man who later also, during the Nazi period, always maintained a straightforward, uncompromising attitude. Captains Lehmann, Flemming and von Schiller, all experienced aeronauts, were his executive officers, and one of them was always on duty. They had an encyclopedic knowledge of aeronautics and were never too busy to answer our many questions.

In the meantime we had reached the so-called Calm Belt, a rainy region on the equator. Thanks to Dr. Eckener's expert navigation we crossed it without catching more than a few drops of rain, so that the airship was not unduly weighed down by moisture. On the morning of September 1, at 8:00 A.M. local time, we crossed the equator, toasting the event with a bottle of champagne. At noon we passed over the island Fernando de Noronha. There the Brazilian flag greeted us for the first time and we also received a short-wave message of welcome from the governor of the state of Pernambuco.

About 5:00 P.M. the South American mainland became visible—expanses of coconut palm forests, native huts on the beach, fishing nets and boats—altogether a wonderful view of beautiful Brazil. We proceeded rapidly towards the city of Recife and reached it at twilight. We made a loop over the landing field, which was surrounded by a huge crowd kept at a considerable distance by the police. The landing, partly accomplished with skill and enthusiasm by a Brazilian military landing crew, took hardly more than fifteen minutes; and there we lay at the anchor mast, safe and sound after a brief three-day voyage. The first nonstop zeppelin crossing of the South Atlantic had been completed.

Our schedule called for a two-day stay in Recife. I spent these days attending to the job to which I had been assigned. I was to assist Dr. Eckener in his contacts with the authorities, various Brazilian as well as German associations, and particularly the Brazilian press. I frequently also had to act as interpreter. Occasionally I tried to lighten things a little, since Dr. Eckener tended in his speeches to become a little too "deep" in the German fashion. So, at a gala reception, I laced my transla-

tion with a few jokes. The audience's laughter led Dr. Eckener to ask me later, "Just what in my speech struck them as funny?"

We were on our feet from morning to night, making all the required state visits, attending all the official receptions and putting our names in the visitors' books, showing the local VIPs the dirigible in all its details and making the customary visits to the various daily newspapers. But we were nevertheless able to visit the points of interest in the city and its environs and to enjoy the colorful picture of life in a tropical metropolis.

Our return trip, for the passengers at least, was essentially a repetition of the outward journey. For the navigators, however, there were many new problems to overcome, particularly in navigating against the north-eastern trade wind, since this had never before been attempted by dirigible. Our return route took us to the west of Cape Finisterre, past the northwest corner of Spain, and then east through the Bay of Biscay, so that during our 68-hour voyage we saw no land from the Brazilian island Fernando de Noronha to the French mainland. In the Bay of Biscay, which we reached toward the evening of the third day, we encountered an unexpectedly strong head wind that delayed us for three hours. As in the meantime it had also become uncomfortably cold, the electric heat was switched on. After that we had a smooth journey over southern France. Numerous uprooted tree trunks on the ground indicated how violent a storm we had flown through in the Bay of Biscay. At noon we flew over the picturesque little town of Pommard and in its honor drank a bottle of its wine for lunch. French airplanes, apparently assigned to keep an eye on us, did all sorts of stunts in front of us, including loops that our good zeppelin certainly would never be able to equal. Soon we reached Basle. Then, after another unforgettable hour of flying above the Rhine, via Stein, Schaffhausen, Constance and the lake, we reached our home port in Friedrichshafen after a voyage of 82 hours. We made a smooth landing and were pulled into the hangar to the cheering of our compatriots.

After the tense and restless atmosphere of Berlin in the last months of 1931, London, the next stage in my diplomatic career, seemed like a veritable oasis with its seemingly unassailably serene way of life. During the following five years I served there under two ambassadors: Baron Konstantin von Neurath and Leopold von Hoesch. Neurath was a man of distinguished appearance; though no intellectual giant, he had a winning personality that enabled him to deal with considerable success with the many problems he encountered during his assignments abroad. He knew how to blend the manner of the experienced diplomat and courtier with an occasional touch of genuine Swabian humor. Neurath was a man of great natural prudence and caution, and if later,

as Foreign Minister, he could not prevail against Hitler, the reasons are well known. A contributory reason may have been that he was completely lacking in rhetorical gifts—the lowliest Nazi official would have surpassed him in this respect. He was reluctant to leave London to enter Papen's cabinet as Foreign Minister.

When in June 1932 he said goodbye to the assembled diplomatic personnel of the embassy (there were—o blessed times!—only a half dozen or so of us) he started to make a little speech, but he was so moved that he had to stop after a few sentences. At the time he may have felt that he would not feel at home in his new position and, perhaps, that he was not equal to it. As Foreign Minister he was later replaced overnight by Ribbentrop. It is hard to understand why, once his ties with the Nazis had been severed, that he should in 1939 have accepted a new position, that of Reich Protector in Bohemia and Moravia. It was to be his ruin.

Neurath's successor in London was Leopold von Hoesch. Both in intellect and as a politician, Hoesch far surpassed his predecessor. Overall he was one of the most brilliant personalities produced by the German foreign service between the two world wars. An elegant and adroit diplomat of worldwide experience, he was also possessed of a keen political intelligence. He was, however, by no means free of snobbishness nor of a sizable dose of vanity. Of the social success that he revered and preferred to seek in aristocratic circles, he was assured by his tall, slender figure, his perfect manners and pleasing personality. A London lady once told me that when Hoesch came into a room one had the feeling that a prince had entered. Although a bachelor, he knew how to make the German embassy a center of social and political life, and under him it was generally regarded as the "smartest" embassy in London.

Hoesch's social activities were, however, only an adjunct to his actual work. He was indefatigable in carrying out his duties. Early each morning he glanced through the most important newspapers, so that by the time he entered his office he would know of any new developments. He often dictated his cables and reports to the Foreign Ministry late into the night. They were masterpieces of clear thinking and even the first drafts were near-perfect; however, he edited them carefully before sending them off. Throughout the day there was a succession of meetings and visits—visits to him in his office, visits to be paid to British ministers, leading officials of the British Foreign Office or politicians. He displayed two particularly valuable gifts in these contacts:

first, his considerable power of suggestion when he spoke to one or two people—he had no gift for addressing large groups—and second, an unquestionable loyalty that could not but impress anyone with whom he spoke. These character traits were the secret of his diplomatic success. He had no patience for trickery and empty phrases. To serve under him was a graduate course in the art of diplomacy.

Hoesch's main contribution was made in Paris, where even Poincaré valued him highly and where he had a close relationship with Briand during the Locarno era. But in London also, where he had served before the First World War as a young diplomat, he was quickly able to gain the respect and confidence of the government and the court until there, too, Hitler's policies put a blight on the fruits of his labors. Even when later he often had to defend things of which he disapproved—no diplomat is spared this—the British government continued to hold him in high regard. This became evident when he died suddenly in 1936 in the midst of his work. The government showed him every honor, and one of His Majesty's warships took Hoesch's casket back to Germany, forcing Hitler, much to his dislike, to order a state funeral in Dresden for an ambassador whom he would have liked to send packing.

Ribbentrop became Hoesch's successor. Even before he was accredited, he had the German embassy at Carlton House Terrace rebuilt at a cost of millions. Since the building was protected as a landmark, the old ceilings had to be preserved, and so Ribbentrop had second ceilings built beneath them—all this at a time when Germany was no longer able to pay its foreign debts! While the style and furnishings of the embassy formerly had been in keeping with the aristocratic taste cultivated in London, the ostentation of the Third Reich and the showy luxury of Berlin's Kurfürstendamm now became the order of the day, doing much to destroy the respect for Germany that had been so laboriously built up after the First World War.

Among the men of first-rate ability who assisted the German ambassadors in London at this time, I want to mention especially the counselor of embassy, Albrecht Count Bernstorff, who resigned from the service under the Nazi regime and eventually paid for his forthright attitude with his life. His successor under Hoesch was Otto Prince von Bismarck, the grandson of the Reich Chancellor, who after the war became a member of the Bundestag. He came to the embassy in London about 1930, at first as counselor of legation. The following story was told about him: Once a prominent German visitor in London suffered a sudden mental disturbance and had to be confined to an insane

asylum. The Prince was asked to visit our compatriot and do whatever he could for him. He introduced himself to the admitting physician and informed him of his mission. "My dear Prince," replied the doctor, "you are welcome to stay with us! Frederick the Great and Napoleon are already here." *Se non è vero, è ben trovato.*

Hilger van Scherpenberg served, like myself, almost five years at the German embassy. His invariable sober and prudent manner led us to predict a successful career for him. Although he had to spend the last years of the Nazi regime in Hitler's prisons, he later quickly made up for time lost, first as head of the department for trade in the Bonn government's Foreign Ministry and then as undersecretary of the Foreign Ministry itself, a position he held for four years until he went to Rome as ambassador to the Holy See. We similarly had great expectations for the highly talented Theo Auer. But after the end of the war a malevolent fate delivered him from the hands of the Gestapo into those of the rulers of the East zone, so that he spent altogether nine bitter years behind bars.

For a time Leopold Baron von Plessen was also a member of our team. He was a cousin of Prince Bismarck and one of the most charming people I have ever met in the Foreign Service. His uncompromising hatred of the Nazis was, during those dark years, a most refreshing element. After the war his old love for the Far East drew him back to Bangkok, where he settled permanently.

Among my other colleagues I finally want to mention Secretary of Legation Brücklmeier. He, like Count Bernstorff, eventually became a victim of Hitler's executioners. As a young man in Ribbentrop's entourage he had witnessed the goings-on in Hitler's Berghof near Berchtesgaden. Hitler had appeared to him as "the incarnation of evil," to quote his exact words. I mention this as a small illustration of the spirit that in truth prevailed among a large part of the officials of the Foreign Ministry during the regime of terror. Innumerable other examples could be given. They would correct the distorted picture given some years ago of the Foreign Ministry by an investigating committee of the Bundestag in Bonn—a committee the majority of whose members set themselves up in judgment on matters of which at bottom they understood very little.

When I arrived in London, the general election of 1931 had put Ramsay MacDonald's national coalition cabinet in power. MacDonald was an unusually attractive man, and even a young diplomat might

meet him in Parliament or at political and other meetings. The son of a poor Scottish agricultural laborer, he had been a pacifist in his youth and now had become a statesman of world reputation whose level-headedness contributed considerably to the relaxation of international tensions. He did not care much for social life, but wherever he appeared he enjoyed everyone's respect and good will while he himself radiated fatherly warmth and benevolence.

The political climate in England at that time was, however, far from pleasant. There, as everywhere else, the international economic crisis had dominated the situation since 1930, and Great Britain had its share of major problems, particularly in relation to the empire and the economic and political status of its various dominions and dependencies. In India, Mahatma Gandhi's movement of civil disobedience, directed against British rule, was at the height of its success, and in the dominions the desire for independence was growing. The British departure from the gold standard, the Statute of Westminster concerning the status of the dominions, the introduction of preferential tariffs for the empire—all these measures were taken in the years 1931 and 1932. A year later the London International Economic Conference took place, but was unable to reach its goals.

Winston Churchill did not become a minister in MacDonald's cabinet even when it was transformed into a coalition cabinet, although in the Baldwin government he had held the very important post of Chancellor of the Exchequer from 1924 to 1929. During the decade 1929 to 1939, the great British statesman was out of office and his influence on British politics was slight. He was more inclined towards an attitude of opposition which he maintained until the outbreak of war—an event that he had long predicted. While Churchill even then was among the best known members of the House of Commons, no one foresaw the decisive role that was to be his in world history as British Prime Minister during the Second World War. Whether the tough policy against Germany that he advocated before the rise of Hitler would have been wise may be doubted. Today we know that even less severe policies than Churchill then advocated hastened the fall of German democracy. Unfortunately, the Allies in the First World War did not produce a statesman during the years from 1919 to 1933 who could have given their German policy a more auspicious turn. Although Briand had made a promising start in this direction, he was hamstrung in continuing his approach when in 1926 Poincaré was returned to power as the savior of the French currency. For Poincaré the treaties of Locarno were the

utmost limit of conciliation to be shown to Germany. In England Churchill may then have thought the same. During my London years I met him only occasionally and fleetingly.

Sir John Simon, on the other hand, played a leading role next to MacDonald in those years. Though originally a liberal of the classical school, he struck out in new directions by founding his own group, the National Liberals; in the same year he became Foreign Secretary. Like MacDonald a man of compromise, he was also a lawyer with a razor-like, logical mind who was resourceful in devising diplomatically useful formulas. In 1935 he and Eden came to Berlin to explore with Hitler the possibilities of a *détente* amidst the general rearmament fever. Hitler had just renounced the armament restrictions of the Versailles Treaty and had reintroduced conscription. His talks with Simon and Eden revolved mainly around projects such as an Eastern pact and an air pact, but resulted in nothing tangible. On that occasion Sir John Simon coined the remarkable formula, "Let us agree to differ", even today a not uncommon result of negotiations.

Shortly after Simon's return from Berlin, the nations of England, France, and Italy met at Stresa to proclaim a common front against "the unilateral renunciation of treaties." But the proclamation remained just that, and soon thereafter Simon left office. The general election of June, 1935, resulted in a Conservative government under Baldwin, in which Sir Samuel Hoare became Foreign Secretary. During the war, in 1940, Simon was made a peer and under Churchill became Lord Chancellor. When he died in 1954, his obituaries in the British press contained much bitter criticism of his prewar foreign policy. Posterity saw in him one of the first "appeasers" of the Nazis; only his legal talents were highly praised. This criticism was not unjustified, for history has shown only too clearly how mistaken the policy of appeasing a man like Hitler had been. Simon's friends, of course, did not fail to point out that he had merely done what British opinion then had in general called for—in point of fact an incontrovertible statement. Yet it is always a mistake to adopt a policy of appeasement where the other side inexorably pursues its own goals. Under such conditions, negotiations can only be concluded at the price of unilateral concessions.

When I arrived in London in 1931, Anthony Eden was at the beginning of his career. He was generally still referred to as Captain Eden, though even then great things were expected of him as a politician. At the time of his visit to Berlin with Simon, he was Lord Privy Seal, a

member of the cabinet without any specifically defined function. That same year Eden became Foreign Secretary for the first time, succeeding Sir Samuel Hoare. Hoare had been toppled by the failure of the Hoare-Laval Plan, through which, with French Premier Laval, he had intended to settle Mussolini's war in Ethiopia.

By now German-British relations had reached a very low point. Since Hitler's accession to power in 1933, British mistrust of Nazi Germany had risen steeply. This represented a complete reversal of the situation at the beginning of the thirties. In 1932, thanks to the judicious policy of Chancellor Brüning, for whose difficulties London showed much genuine though finally unavailing understanding, the relationship between Germany and England had reached an apex of good feeling. At that time we Germans had become rather popular in England, while British-French relations had once again assumed the character of a marriage of convenience (a not infrequent occurrence).

Cultural exchanges between England and Germany were eagerly promoted. Furtwängler's symphony concerts, the engagement of German opera ensembles at the Covent Garden Opera House, a commemoration in 1932 of the centennial of Goethe's death at which Gottfried Treviranus, the Reich Minister of Transportation was the speaker—all these were magnificent high points (although at the time we diplomats regarded the mixture of Goethe and Treviranus as going a bit far). Treviranus had been a naval officer and retained some of the breeziness of those years, but he was a very sensible man and quite equal to the task of delivering a speech in memory of Goethe with elegance and skill.

The year 1932 was also very important in my personal life. In May an international local government congress took place in London. My close contacts with the German delegation led to an invitation to the house of the mayor of Düsseldorf, Dr. Robert Lehr. Further visits followed and on one of them it happened—I met my future wife. Soon after that I visited for the first time the house of my future parents-in-law and met Peter Klöckner, a man of striking personality who was to play a decisive role in my life. My mother-in-law, too, was a woman of impressive appearance and bearing, the very embodiment of a *grande dame*. We became engaged at the end of January 1933, about the time the Nazis seized power, and were married in the early summer.

With this step I laid the foundation of my happiness. Winston Churchill once remarked that his greatest achievement had been to



persuade his wife to marry him, and I might say the same of myself. The next year our first son, Jörg Alexander, was born; three years later his sister Sylvia, a little *Berlinerin*, joined him; and after a little more than another year, when we had finally done with moving around, our third and last child, Peter, was born in Duisburg on November 9, the same day Peter Klöckner celebrated his seventy-fifth birthday. Our oldest boy studied first for a year in the United States and for a semester in Geneva, and then passed his examination in law in Berlin. Our younger son first completed practical training in banking in London and Paris and then studied political science at the Institut des Sciences Politiques in Paris. After graduation he, like his older brother, joined the Klöckner firm. In the meantime, Jörg married a girl from Madrid.

Sylvia who, like her mother, has since childhood made it her favorite business to wind her father around her little finger, married a young diplomat who, unfortunately for us, then took her halfway around the world to Tokyo. And finally, Peter, too, has now taken on the yoke of marriage. Nine grandchildren, so far, continue our line.

We participated eagerly in the social life of London, that being part of a diplomat's duties, both in the city and at those enjoyable weekend parties in the country. In those days white tie and tails were *de rigueur* not only for dinners and receptions but also for the theater. With it one wore a collapsible top hat that one stuffed together with one's overcoat under the seat in the theater. During the summer, overcoats were dispensed with, and no one was astonished to see gentlemen walk across the street in formal dress and top hat.

Then as now, the social life of the diplomat in London included attendance at Court functions involving special dress and ceremony. Gentlemen had to wear evening shoes, knee breeches without pockets, and two pairs of socks, while the ladies had to practice their curtsies and wear gowns with a long train. Their hair had to be crowned with an agraffe and three ostrich plumes. All this was somewhat complicated, but to be presented at Court was the dream of every young girl in English society.

Both the Court and the diplomatic corps joined in the sparkling life of the London "season." The main events were (as they still are) the Oxford-Cambridge boat race; Derby Day, England's most popular horse race, and Ascot, the horse races attended by the upper classes and by the King and Queen as private persons; and finally the Aldershot Tattoo, a ceremonial military display in historical uniforms.

The season also saw impressive opera performances at Covent Gar-

den or in a more intimate form at the country house of Glyndebourne. The magnificent finale of every season was the Royal Garden Party at Buckingham Palace. The royal couple received the guests under a purple Indian canopy that was interwoven with gold and rested on silver columns. Queen Mary's appearance on these occasions was always on the stiff side, yet very dignified and commanding. Then as now there were the annual Shakespeare festivals at Stratford on Avon, presenting always excellent performances that we were sometimes able to attend. In addition to the official London social events, there were also innumerable private festivities in which the general public took a keen interest. I still remember a ball at Londonderry House where the canopy at the entrance was flanked on both sides by on-lookers who had come to admire the magnificent gowns of the ladies.

Many of our younger friends of those years later distinguished themselves, held high office, or represented their country in important places. One of them even became world famous—Ian Fleming, the well-known writer of crime fiction. An affable man with intelligent, distinguished features, he was tall, slim and well dressed, every inch the English gentleman. In those years Fleming worked at Reuter's, the big English news agency, and was known less for his own achievements than as the younger brother of the successful travel writer Peter Fleming. He was a most amusing storyteller and at times could be positively hilarious.

During our stay in London we were impressed to see how the British people identified themselves with their public institutions and to witness the kindly and sympathetic interest they took in the life of the Court and everything connected with it. Two occasions, in particular, brought this home to me: the first one was King George V's Silver Jubilee in 1935 (he had been on the throne for twenty-five years), and the second his funeral. The festivities for the Silver Jubilee were like a fairy tale, even to dancing in the streets. Everyone wanted to see the procession, and people lined the streets the night before, though many of them succumbed to exhaustion by the time the procession started. A joke current in London at the time went: "How did you see the procession?" "From a stretcher!" We in the German Embassy in Carlton House Terrace were better off because we had an excellent view of the Mall along which all processions came; on these occasions we were very popular hosts in London. The following year it was also deeply impressive to see the tremendous number of people filing past

the casket of their dead king. On that day every cab driver in London wore a black tie and crape.

King George's successor, King Edward VIII, now the Duke of Windsor, I knew during my time in London mainly as the very popular Prince of Wales. I had met him previously in Buenos Aires where he had come on a good-will tour. The British people had high hopes for him when he succeeded to the throne in 1936, but these hopes were dashed when he renounced it that same year. However, the people's attachment to their royal family helped them quickly over this disappointment. In recent years my family and I have met the royal Duke more frequently on the south coast of Spain where he usually spends a few weeks and where we spend an annual vacation in our bungalow in the midst of a flowering subtropical garden.

My wife and I greatly enjoyed the more pleasant features of diplomatic life in London, but after 1933 events in Germany cast a shadow over the relations between the two countries. It was tragic indeed to see how quickly this happened. The events of the summer of 1934 were especially discrediting to Germany—the political bloodbath committed by the Nazis under the pretext of the Röhm revolt and the murder of the Austrian Chancellor Dollfuss in the course of the National Socialist coup d'état in Vienna. Despite the great popularity Ambassador von Hoesch had enjoyed at Court, after the Röhm affair the royal couple treated him icily at a garden party in Buckingham Palace. For the sake of public opinion alone, a friendly royal chat with Germany's representative was simply out of the question at that time.

But the British are known to be realists in politics, however much they cherish the political traditions of their form of government. And so, suprisingly enough, the next year the German-British naval agreement was concluded. The negotiations were conducted on the German side by Ribbentrop, who came to London as Hitler's special plenipotentiary. Obviously, he and Ambassador von Hoesch did not speak the same language, and so we at the embassy knew nothing of the details of the naval agreement until we read them in the papers the next day. Ribbentrop had given strict orders to his staff and advisers to stay away from the German embassy, but we did see him in a London hotel where my wife and I attended a dinner dance with a young English couple. Toward midnight Ribbentrop and his staff also appeared and were seated a few tables away from us. Among his entourage was a friend of ours, the naval attaché, Captain Wassner, who

told us the following day that Ribbentrop had been very favorably impressed by my wife. When told that she was a lady from the German embassy he said in his typical manner, "One could make something of that woman." On hearing that she had a husband he commented off-handedly, "Well, we'll take him along too."

When Hitler occupied the Rhineland in March 1936, the atmosphere in London became feverish. The French Premier and some of his ministers came to London for a conference to discuss the question of how to put a stop to Hitler's treaty violation. All the participants seemed full of bold determination to go ahead, insofar as boldness was even a requirement for acting decisively in those days. But then followed the weekend, when, as usual, the politicians and Members of Parliament went back to their constituencies. When they returned to London at the beginning of the next week their determination had largely evaporated. Ambassador von Hoesch told us how he had met some of these politicians at a party and been told that it was impossible to explain to British voters why it was necessary to intervene when Germans reoccupied their own territory. This mood of the British public prompted Lady Astor to make her remarkable comment: "You can't make an anti-German policy, the country is hopelessly pro-German." No one in the British government realized that this might be the last chance of putting a stop to Hitler's expansionist plans.

Lady Nancy Astor played an important role in the London of those days, both socially and politically. Though born an American, she was the first woman member of the House of Commons and remained there from 1919 to 1945. In 1906 she married her second husband, the second Viscount Astor. Her political conduct was not always applauded. According to one story, an old friend told her after a lecture tour in the United States, "Nancy, you behave like a little dog who runs into a strange house and chews up the sofa."

Despite the gathering clouds toward the end of my stay in London, I look back on those years with pleasure. Our many wonderful experiences remain unforgettable even against the darkening background of the political situation. It was like a last radiant sunset at the end of a number of lovely days.

When Ribbentrop became ambassador in London after Hoesch's death in 1936, I had already been recalled. Back in Berlin I found myself overnight in the midst of the reality of Hitler's Reich. To an observer from abroad, that period in particular may have had its

splendor but in those of us who had a deeper insight it often led to a reaction that the painter Max Liebermann expressed in his forceful Berlin manner at the beginning of the Nazi era: he could never eat as much as he would like to throw up. After a brief spell at the Wilhelmstrasse—I was assigned as specialist for Great Britain, Ireland, the Netherlands, Belgium, and Luxembourg to the political department under Assistant Secretary Dieckhoff—I resigned from the diplomatic service and henceforth became active in commerce and industry.

The generation succeeding us, and even more our more distant descendants, will always find it difficult to understand how the German nation could in 1933 sink into such a quagmire almost overnight. The question will always haunt us how the leaders of a party that obtained only one-third of the votes at the Reichstag elections in November 1932, and that even after Hitler was appointed Reich Chancellor still remained in a minority of 44 per cent at the general election at the beginning of March 1933, could by that July remain as the only legitimate party while all the others had been forced to dissolve. It will always be asked also why the brute terror that the Nazis soon exercised was not met with any appreciable open resistance, even though revulsion and indignation were widespread. It may seem even more surprising in retrospect that the German armed forces as well as the whole civil service, starting with the highest officials in the ministries, yielded to the Nazis. How can it be explained that in 1933 a large part of the German people allowed themselves to be dealt with in such a manner?

These questions cannot be answered in a few sentences; they are a subject for the historians. As always in such cases, the reasons are manifold and in part have their origin in history. From my own experience I want to elaborate briefly on one of them: There were many people, myself among them, who in 1933 mistakenly believed that the Hitler regime could last only for a short time. We were so used to governments that operated rationally and within the framework of law that at first we completely underestimated the unscrupulous and unbridled manner in which Hitler quickly destroyed all constitutional safeguards. No one who has not lived through it can imagine the force and coercion that dictatorships impose on a people in order to maintain themselves in power, nor the brutality with which they are ready to wipe out any opposition. Our misjudgment of the situation was compounded by the fact that Hitler had obtained power legally and that his cabinet contained several men who were not his followers and who could be expected to stand firmly in opposition.

It must be pointed out that most of the senior civil servants in the ministries and other highly placed officials did not willingly collaborate with the new regime; they rather attempted to maintain their positions in order not to surrender them to party followers eager to board the gravy train. It was generally thought that one was acting in the ultimate interest of the state if one remained in office despite every vexation. This was certainly true of such men of character as Undersecretary of the Foreign Ministry von Bülow, who, however, died in 1936, and of his later successor, Undersecretary Baron von Weizsäcker. Regarding Bülow, a witness as much above suspicion of having been a Nazi sympathizer as the former Reich Chancellor Dr. Heinrich Brüning stated in writing in 1948 that he had urged Bülow in more than one nightly session in 1934 not to retire from office. He had recommended that Bülow remain in the Foreign Ministry, in company with a group of politically reliable men, *and in close collaboration with the opposition inside the army*, in order to combat from within any aggressive designs of the National Socialists.

The example set by such men was followed by the majority of the other senior officials, so that many members of the Nazi party, hungry for office, for years considered the Foreign Ministry almost as a fortress still to be taken. Nor did other nations expect the German diplomats to pack up quickly and leave because of the Nazi regime. When I left London, L. A. Willoughby, professor of German studies at the University of London, wrote to me expressing his regret at my departure and adding, "We shall continue the good fight." Moreover, the former Undersecretary of the Foreign Ministry, Richard von Kühlmann, asserted on oath in 1947 that even after 1937 Churchill had impressed upon him the necessity of becoming a registered party member. Churchill had asked him how men of moderate views could be heard, let alone gain the upper hand, in the party, if people like Kühlmann stood aloof. Later, admittedly, it all looked rather different, and I myself have on occasion been asked by the victorious allies how it came about that I stayed in office for so long. It is not my intention of absolving in toto those who continued to serve in the Foreign Ministry. Yet surely the view is quite untenable—though it is even now put forward from time to time—that all those men who remained in the Foreign Ministry after 1933 were enthusiastic Nazis. In any event, in later years any retirement from office in the Foreign Ministry was made subject to the giving of prior permission, and such permission was not granted, almost without exception, to any of the more capable men.

On the other hand, one must not forget that in 1933 the dissolution of all political parties, except for the Nazi party itself, did not evoke as much outrage in Germany as one might assume in retrospect. Political parties in the Reichstag (where they were largely condemned to impotence by the system of proportional representation) had exhibited such weakness during the preceding years and shown so clearly that they were not equal to the tasks confronting them, that in the opinion of much of the population the reputation of even the long-established parties had sunk to nothing. No tears were shed when they were dissolved. Another cause of the demise of the parties was the fact that the constitution of the Weimar Republic, in contrast to the Basic Law of the German Federal Republic of today, had no built-in safeguards against the chronic—sometimes purely accidental—fluctuations in the majorities and the resulting continual cabinet changes, which led to a situation similar to that in France before the end of the Fourth Republic in 1958.

And finally, one further fact had a very unfortunate influence during the first years of Hitler's rule—the attitude of several foreign governments towards this regime. I have already mentioned the conclusion of the German-English naval treaty of 1935, which Ribbentrop had no great difficulty in obtaining even though shortly before Germany had unilaterally denounced the armament restrictions of the Treaty of Versailles and reintroduced universal military service. The naval treaty permitted Germany to build warships of a total tonnage of up to 35 per cent of the British fleet. Great Britain thereby practically underwrote Hitler's policy of revising the Versailles Treaty.

Even more important in its results was the British attitude when German troops marched into the demilitarized Rhineland in March 1936 in violation and repudiation of the treaties of Locarno. If Great Britain and France had at that time responded with military force to which Hitler would have had to give way, the whole Nazi nightmare might have ended more quickly, and Europe and the world would have been saved tremendous suffering. France alone could have taken military countermeasures without much risk, especially since Great Britain, under the Locarno Treaty, would have been bound to join in. But none of this happened, and Hitler could say scornfully that the German diplomats and representatives abroad who had emphatically warned him against this step had tried to "scare" him. The generally feeble reactions of other nations encouraged him to plan further violence.

My new responsibilities occasionally took me to London, particularly in connection with international steel problems. The last time

before the outbreak of war was in February 1939 for the signing of a German-English coal agreement. Despite the terrible crises of the year 1938 and the resounding failure of the Munich agreement, the British showed themselves most conciliatory, prompted apparently by a last glimmer of hope that a military resolution of the increasing international tensions could perhaps still be avoided. A dinner was held in our honor, and an old friend of mine, the former London correspondent of Wolff's Telegraph Bureau, Iona von Ustinov (father of the well-known actor and writer Peter Ustinov) was consulted as expert in the selection of German wines. He told me that it was not easy to please our hosts because they always checked the prices of the wines he chose, feeling apparently that only the most expensive vintages were good enough for us.

During this visit I had a long confidential discussion with the invariably well-informed Ustinov about the tense international situation and the acute danger of a war. I asked him what the British were planning to do in case war broke out. He answered that they would send an army to France and stand ready with their French allies at the German frontier in the expectation that the Hitler regime would shortly collapse like a house of cards. Deeply troubled by such simplicity, I warned him against harboring any illusions. Now it was his turn to be shaken, for he, like so many Britons—even those in high places—had somehow imagined that things would turn out to be relatively simple. I have often thought of this conversation in the course of the following years.

The German coal delegation had barely left England when Hitler marched into Prague, dealing the death blow to Anglo-German relations. He left hardly any doubt now about his aims—we stood at the threshold of a second world war. Two factors acted upon each other: Hitler's decision to attack Poland come what may, and, opposing it, the determination of the British not to allow Germany to conduct a war against Poland standing alone. In March 1939, Chamberlain, disappointed in the hopes he had still harbored at the Munich conference at the end of September 1938, signed the Anglo-French guarantee for Poland, which was followed in April by similar agreements for Rumania and Greece. The purpose was to block Hitler's road to eastern and southeastern Europe, the very route that the dictator was determined to take. In August Hitler still thought he had outwitted the British with the German-Soviet Pact that Ribbentrop had concluded in Moscow. However, two days later London formally signed the British-



Polish alliance. Almost until the last minute Chamberlain continued his attempts to mediate between Warsaw and Berlin. Mussolini, too, suggested another meeting as he had done the year before during the Czech crisis when he had proposed the Munich conference.

But it was too late. On the morning of September 1, 1939, Hitler ordered his armies to attack Poland, although he certainly no longer had any reason to believe that Britain and France would stand by passively. Thus events took their course.

*My Beginning at Klöckner  
Experiences during the War and Immediate Postwar Years*

I formally started my career in the coal and steel industry on January 2, 1937. On my engagement to his daughter, Peter Klöckner had told me that I could join his firm any time I wished. Needless to say, I found this offer enticing, but I was also greatly attached to my chosen profession of diplomacy. Eventually, however, the Nazis made it easy for me to make the change. My commercial life began with nine months' apprenticeship in a Berlin steel warehousing firm that was part of the original house of Klöckner and Co. in Duisburg. I found this thorough commercial training very valuable later when I took on positions of responsibility.

All my energies were now concentrated on learning the mysteries of debit and credit and on the close study of the structure and qualities of rolled steel. My interest in the technical side of steel production grew as I made numerous visits to the plants and spent evenings at the Berlin Institute of Technology, where I arranged to have one of the assistants give me instruction in iron and steel technology. The one aspect of the business I did not learn at that time was buying and selling; by then war production had already resulted in far-reaching government control of steel distribution.

In the fall of 1937 I was made a member of the management group of the Klöckner-Werke AG, and assigned to its two plants at Osnabrück; a year later I was asked to join the head office in Duisburg. Our migrations over the years had come to an end, and my family and I settled down in what we hoped would be our permanent home. Almost at the same time Peter Klöckner made me a junior partner in the parent firm, Klöckner and Co. in Duisburg. This gave me two more years before his death to work closely with him and to take another graduate course, so to speak, this time in commerce and industry.

When the war broke out in 1939, I had become the sole commercial member of the management group of the Klöckner-Werke AG. The metallurgical member, Dr. Killing, and I were in Peter Klöckner's office when we heard Hitler's proclamation of war over the radio. Many years later Dr. Killing reminded me that I had said then that this was the beginning of the end of Hitler's regime. I never wavered in this belief throughout the war.

I was, however, among those Germans (probably the majority) who believed at the outbreak of war that it would be over quite soon. This miscalculation was, of course, based on the expectation that the French and British would intervene quickly and decisively. Even today it seems almost unbelievable that Great Britain and France, despite their declaration of war, looked on almost inactively until Hitler's attack of May 10, 1940, put a sudden end to the "phony war" in the west—the *drôle de guerre*, as the French called it. Whenever during those months I tried to fathom the almost incomprehensible attitude of the Western powers, I recalled my conversation with Ustinov in London. His idea of what would happen after the outbreak of war was so quickly shown to be utterly fallacious that the explanation for Anglo-French passivity cannot have been that London and Paris were just waiting for the collapse of the Hitler regime.

As a matter of fact, immediately after the outbreak of war, while the main German forces were temporarily engaged in Poland, General Gamelin, the French commander in chief, had a most favorable opportunity to take the offensive and to attack immediately with everything he could lay his hands on. Throughout September 1939 the German forces in the west were much weaker than the French, and the German western defense system, the "Siegfried Line," was still incomplete. Yet instead of attacking, the French waited. Surely it was a paradoxical attitude first to declare war and then to assume a defensive position. Over and above that, it meant letting down their Polish allies who now found themselves isolated in the face of superior German forces. The French Generalissimo may have had his reasons for assuming a waiting posture, but France had to pay dearly for it. In any event, the favorable time for a French offensive passed quickly. As a result Hitler could tackle his opponents on the European mainland one by one. The attack on Poland quickly grew into the Second World War with all its horrors.

On October 5, 1940, Peter Klöckner died after a brief, serious illness. He had been one of the most remarkable German industrialists of the

first half of our century. Born in Koblenz in 1863, he grew up in the iron trade, and in the 1890s he had already become the top executive in the Haspe Iron and Steel Works in Hagen, which he had put on its feet—his first major success. In 1903 he was appointed to the board of directors of the ailing Aumetz-Friede steel works in Lorraine. He also reorganized and expanded that enterprise, later known as the Lorraine Iron and Mining Union, which grew into one of the largest and most modern production complexes of its time on the European continent. By adding to it in 1911 Victor and Ickern Coal Mines in Castrop-Rauxel he ensured a basic supply of fuel for the whole enterprise. It was his aim, by gradually increasing his capital share in these enterprises, to bring about a meaningful association between the raw production of coal and steel and their processing. In 1906 he established the commercial firm of Klöckner and Co. in Duisburg. His very own creation, it became the nucleus of his complex of enterprises and at the same time served as an intermediary between producers and consumers.

The loss of the works in Lorraine at the end of the First World War did not discourage Peter Klöckner. He immediately started the task of reconstruction which led in 1923 to the formation of the Klöckner-Werke AG. He now had created his own basic industrial group, consisting primarily of the coal mines in Castrop-Rauxel, Königsborn, and Werne, along with the iron works and steel processing works in Hagen-Haspe, Georgsmarienhütte, Osnabrück, Troisdorf, Düsseldorf, and Quint. Over the years he added an important engine and machine building enterprise, the Klöckner-Humboldt-Deutz AG in Cologne. This company was the result of a merger of the Deutz gas engine factory, the Humboldt machine building works, and the Oberursel engine works, under the name of Humboldt-Deutz Motor AG, in Cologne. To this was added in 1936 a firm that built trucks and fire engine gear, the Magirus Works in Ulm. The Deutz works, which manufactured gas engines, were of particular importance in this merger as the motorization of the modern world had, so to speak, had its beginnings in this industrial enterprise. One of its co-founders, Nikolaus August Otto, the inventor of the four-cycle engine, had opened the door to a new epoch in technology. The Cologne firm may, therefore, quite justly be called the germ cell for the introduction of the internal combustion engine which was to have such a revolutionary effect on our mode of living.

Throughout his life Peter Klöckner's principal interest was the creation and development of his enterprises, and at home he always liked to talk about his plans. It was fascinating to hear him describe his far-

reaching projects. All in all, work was his passion, which meant that he made great demands on his associates. At the same time, however, he was always ready to recognize the achievements and contributions of others. He was an excellent, if rather difficult, taskmaster, and to have worked under him would prove to be of life-long benefit to any young man who had made commerce or industry his career.

In appearance, too, Peter Klöckner was a commanding figure. On meeting him for the first time one immediately felt the strength of his personality and the magnetic power that emanated from him. His head was particularly impressive, especially his eyes, which radiated energy and looked as though nothing could remain hidden from them. When he closed those eyes forever in 1940, he had created and passed on a proud edifice such as only a few men have had the privilege of building.

As with other outstanding personalities, many anecdotes grew up around Peter Klöckner. We still like to repeat his famous assessment of another industrial leader: "The gentleman travels by day." When, in his younger years, he was rehabilitating the Haspe Iron Works and things were not going quickly enough for him, he is said to have remarked to the executives in charge there, "I want to see either better figures or new faces." He thought a great deal of August Thyssen (the father of Fritz Thyssen) who was considerably older than he and a highly gifted man. They had business dealings with each other and were also personal friends. At one meeting, when August Thyssen offered to help him into his coat, Peter Klöckner is supposed to have said, "Thank you very much, Herr Thyssen, but let me do it myself; I once lost my wallet that way."

After his death, and following some regrettable as well as unnecessary disputes with one of Peter Klöckner's associates who had an almost pathologically exaggerated opinion of his own importance, I became head of the group. However, this lasted only about a year. One day I was called to the office of the Nazi mayor of Duisburg, Freytag, who informed me in the presence of the district leader of the National Socialist party that our notorious gauleiter (regional leader) Terboven (at that time also the Reich commissar for occupied Norway) had relieved me of all my posts, imposed special restrictions, and prohibited my engaging in any business activities whatsoever. On the advice of friends, I left for Berlin that same night where for some time I remained inaccessible. This was necessary as measures like those taken against me were very often followed by further acts, customary in a dictatorship,

including night-time arrest and consignment to a concentration camp. If, however, one happened to be absent at such a time there was some hope that the matter would be forgotten unless the Nazis were particularly eager to catch one. We now entered into lengthy negotiations regarding myself and the Klöckner firms, with government departments in Berlin that were responsible for regulating the economy. Luckily for me the Reich authorities in question disapproved highly of arbitrary measures by top echelon Nazis in the provinces, since they regarded this as interference in their own sphere. After months of discussions the restriction on business activities on my part was finally lifted in the case of the commercial firm Klöckner and Co. in Duisburg. Thus our private parent firm was at least saved from the direct grasp of the Nazis. Also, I was not as exposed there as I would have been in a larger undertaking with a greater number of employees. The overall administration of the Klöckner complex, however, was transferred to other—Nazi—hands.

Since the broad restrictions on my business activities resulted in fewer absences from home and since the air attacks usually prevented one from going out at night, I turned after the day's work with great enthusiasm to music. Whenever I had to go to Munich—which fortunately happened quite often—I visited my old teacher Walther Lampe and worked intensively with him. Lampe, an excellent concert pianist, was also one of the leading teachers of the piano. His interpretations of Mozart were truly outstanding. He died recently at the age of over ninety. For the great artistic stimulation and the friendship he granted me for so many years I will always be grateful.

By the end of 1941 the entry of Japan and the United States into the war had finally made it worldwide. Although Hitler had scored great successes until then, by the end of 1942 his fortunes began to ebb. The Allied landings in Morocco and Algiers and the encirclement of the German armies at Stalingrad marked the turning point. For Germany and Italy the die was cast, yet the hopeless struggle was continued for another two and a half years.

The increase in the frequency and severity of air attacks made it advisable, primarily for the sake of our small children, to evacuate my family from Duisburg, particularly during the summer when the nights were bright. One night we experienced no less than nine raids which roused us from our beds. My wife and children, therefore, went to live for some time in Garmisch, near Munich. Once, while I was visiting

them briefly, we were called back to Duisburg because our house there had been bombed and almost completely burned out. After that I lived in Hartenfels, the house of my parents-in-law, where my wife visited me regularly. This house, being somewhat outside the city and surrounded by woods, was spared major damage. During the last two war years my family lived in our hunting lodge at Herschbach, near Koblenz, where they were at least safe from air attacks. However, the village was the haunt of some Nazi gangsters who, near the end of the war, actually threatened my wife's life.

In the meantime one of the night-time air attacks had damaged the Klöckner office building so seriously that only a skeleton staff could be maintained in it. We were able to relocate in Bad Godesberg where our various departments were lodged in a variety of buildings. Among them was a small palace, the "Redoute," built near the end of the eighteenth century, where I opened my own office with a view of the splendid park, undoubtedly the most beautiful office I ever had in my life! In its largest reception room Beethoven had played as a young man. I now shuttled back and forth between Duisburg and Godesberg, and on the weekends I bicycled out to my family in Herschbach whenever I could arrange it, gasoline for private use having long since become unavailable.

In February 1944 my father died at the age of nearly eighty. He was spared the massive bombing attacks that wrought such destruction in his beloved Munich shortly after his death. In the fall of 1944, Duisburg and other large cities experienced their heaviest air attacks. Three assault waves of bombers, two of them during the night, caused more damage than all previous bombings together. Thus we entered the last war winter of 1944-45.

Towards the end of the year an anti-aircraft battery was stationed in Hartenfels House. Its commander was Lieutenant von Mostler, a very pleasant and cultivated young Austrian. One evening he brought us a corporal in his battery, Karl Röhrig, who later became the excellent concertmaster of our Duisburg orchestra and a most valuable collaborator in my music publishing house after the war! From then on the two of us played together almost every evening I was free and worked our way through everything that had been composed for piano and violin, from Bach to Strauss and Reger. Once we were in the middle of the second movement of the *Kreutzer* Sonata when the lights went out (a frequent occurrence in those days). We did not let it disturb us and

had almost reached the end of the movement by the time the lights went on again. Never before or afterward was our audience, which consisted of those living in the house, so enthusiastic in their applause!

At the beginning of 1945 I made one more business trip to Berlin, my last during the war. Travel by railroad was no longer possible and so we went by car, which by this time meant a vehicle that was fueled with wood in order to produce gas for the motor. The journey was, therefore, lengthy and difficult, and what we saw on the way and in Berlin was frightful. In Berlin I had a long discussion with Dr. Karl Kimmich who for many years had been chairman of the executive committee and finally chairman of the board of the Deutsche Bank. It was to be my last meeting with this man, whose knowledge of finance was remarkable, and who was, as well, an expert on the Ruhr industries. I had often met him since I had become active in industry, had had many stimulating discussions with him, and was indebted to him for much good advice. I had a strong attachment and greatest respect for this man, who was always an absolutely loyal friend and adviser to the firm of Klöckner, particularly so in those difficult times. When I last saw him he was already ailing, and he died that fall.

During the last months of the war I continued to shuttle between Duisburg, Bad Godesberg, and Herschbach. On March 24, 1945, the Americans crossed the Rhine at Remagen. A few days later I was still able to visit the Klöckner shipping offices which had been lodged in houseboats on the Ruhr river near Saarn in case they had to be relocated. On April 6 Dr. Jarres, the former mayor of Duisburg, and I made an unsuccessful attempt to reach our mines at Rauxel, but the Americans were already there and a few days later they also occupied Essen.

In the meantime Duisburg was subjected to continuous and increasing, but random, bombardment from the other side of the Rhine. On my way down from Hartenfels House through the Duisburg woods to the streetcar I not infrequently had some close misses. Not everyone, however, was so lucky; among other civilians our head gardener, to our great sorrow, was killed by a grenade on his way to town.

Just before the Americans arrived in force, the insane local Nazis threatened to evacuate the total population of Duisburg. Fortunately for us this did not happen, for the Americans were too close. The American occupation forces arrived at Hartenfels House, which lies outside the town in a wooded area, in a jeep in the person of a sergeant

and another soldier. They focused their attention immediately on our hunting rifles. On the next day Duisburg itself was occupied by the Americans, and the Klöckner office building was taken over by the same sergeant.

The war was now over for us, although it continued for the rest of Germany for a few weeks longer. Berlin did not fall into the hands of the Red Army until May 2, and on May 9 the general capitulation of the German armed forces became effective. We learned of all this news piecemeal, as there were no longer any newspapers, and radios worked only intermittently because of constant power failures. It was a largely devastated Germany that fell into Allied hands, its cities and industrial plants heaps of rubble; local government and public services had collapsed and the orderly supply of even the most basic necessities had broken down almost everywhere.

The occupation authorities were, therefore, faced with an enormously difficult task. The Americans, making an excellent choice, appointed Dr. Heinrich Weitz as the new mayor of Duisburg. Dr. Weitz, an old friend of ours, formerly had been an official of the Duisburg city government and later mayor of Trier until the Nazis removed him. Courageously and with expert skill he now tackled the problems presented by, first, the situation and then the British occupation authorities, who soon succeeded the Americans. Immediately after being installed in office he appointed a new provisional city council of which, at his request, I became a member. His work in Duisburg at that time laid the foundation for the reconstruction of the city. A few years later he became Minister of Finance in the newly formed *Land* of North Rhine-Westphalia, an office he occupied for five years. From 1952 to 1962, shortly before his death, he was president of the German Red Cross. Throughout these years he maintained close ties with us.

During the first months of the occupation many Duisburg citizens, like many others elsewhere, went through the unpleasant experience of being turned out of their homes to make room for the occupation authorities. We, too, had to move repeatedly. After Hartenfels House was requisitioned I managed to trick the authorities for a while by telling them that our house at Wilhelmshöhe 10, which had been half destroyed by bombs but was now partially repaired, had been a field hospital for contagious diseases. (I pointed to the equipment left behind by the German medical corps that had last been quartered there.) Upon hearing this, the American quartermasters regularly turned



around and disappeared. One of them ventured a more courageous response, "We must all die sometime," but he, too, did not return.

Unfortunately we were not able to keep this up forever. After several temporary quarters we finally settled down in an old apartment house owned by Klöckner in a street that was so damp and dark that we could feel safe from renewed eviction. Even before this, on April 28, 1945, after constantly badgering the occupation authorities, I managed to obtain permission to drive from our temporary offices in Bad Godesberg to Herschbach where, after anxious weeks of separation, I found my family in good health. My diary of that time shows the entry: "The happiest day of my life."

The factories of the various Klöckner enterprises began to produce again—but how slowly! The first problem was to reach them at all, since many had been evacuated, in some instances a considerable distance. The plants in Düsseldorf, Cologne, and Troisdorf were the first to resume operation. In Godesberg the Americans had confiscated my office in the "Redoute," but I was able to secure my most important papers. In May I managed to get to Osnabrück where the commandant of the city, Major Day, had the reputation of being a ferocious "German eater," but he took an interest in me when he heard of my long sojourn in England and of my difficulties with the Nazis. I was, therefore, able to obtain several concessions from him for our factories in Osnabrück. In fact, the knowledge of the Anglo-Saxon mentality I had acquired as a diplomat proved to be useful both then and later in negotiating for the preservation of the Klöckner plants and the future fate of our enterprises.

In June I was able to visit our plants in Oberursel, near Frankfurt, and in Ulm. Traveling was a tedious business. The highways were in terrible condition and so many bridges had been dynamited that constant detours were necessary. Our vehicle was, of course, still the wartime woodburner which luckily continued to function for some time yet. At all control points one had to watch out for one's wristwatch as these were favorite souvenirs! In Ulm the American commandant proved to be very approachable and interested in helping us. In July we received permission to put our plant back in operation. From Ulm I continued my way to Munich to visit my mother from whom we had been without news for many months. I was relieved to find her in good health. I also visited the Klöckner enterprises in Munich and subsequently called on the Bavarian Minister for Industry and Commerce,

Dr. Lange, the former manager of a brewery. After greeting me, he took a piece of paper and began to write a report of our meeting: "Today Herr . . . came to see us . . .!"

The condition in which I found the Klöckner factories in the course of my visits varied from place to place. The iron works in Haspe and the Georgsmarienhütte near Osnabrück, as well as the mines in Königshorn and Werne, had survived the war more or less intact. The steel processing factory in Osnabrück, on the other hand, was in ruins; the buildings had collapsed, all the machinery had been damaged, and most of it was ready for the scrap heap. Damage was also considerable in the Düsseldorf and Troisdorf plants and in the mines of Castrop-Rauxel. The Cologne factories were in no better shape than those in Osnabrück; there, too, practically all the workshops were in ruins. Much of the machinery had been evacuated during the war to places in the Eifel Mountains and could now be brought back to Cologne only very slowly and with much difficulty. The two factories in Ulm were in similar condition, but the works in Oberursel near Frankfurt had been spared. Of the approximately 10,000 units of company housing owned by the Klöckner enterprises, half were either completely or partially destroyed.

One would have thought that in order to meet the great need for goods of every kind, priority would be given to clearing the rubble and putting what usable machinery remained into operation with whatever raw material was available. This was, however, easier said than done. For now began the era of the "permits," which meant that every type of production depended on the permission of the occupation authorities. However, they had come with directives that envisaged anything but the rapid reconstruction of German industry. In addition, they followed the guidelines for larger firms established by the victorious powers in August 1945 in the Potsdam Declaration, which provided for the deconcentration of German industry and the dissolution of all enterprises that were allegedly overly concentrated. The authorities tended to apply these guidelines as broadly as possible, so that wartime controls were now replaced by another kind of control that, instead of promoting the urgently necessary revival of industry, commerce, and transportation, delayed it or even questioned its importance. Only the resumption of coal production seemed to be of interest to the occupation officials. In the entire Ruhr region this amounted at that time to 50,000 tons per day, a very modest quantity. Considerable amounts of

mined coal were available, but the occupation authorities refused to release it. The coal shortage was, of course, one reason why the proper reopening of the iron and steel works could not be undertaken. We were permitted only to roll out our existing stocks.

Our main concern was to get production going again, and the mass of difficulties and obstacles facing us required constant discussions within the firm and with outsiders, keeping us under pressure night and day. There was a divergence of opinion among the various directors of the German enterprises concerning the best way to proceed. In our own firm we tried vainly during the month of July to obtain the release of our capital resources which had been automatically frozen in accordance with Military Government Law No. 52. We also had considerable difficulties in obtaining personnel, especially on the management level, and these difficulties grew in the course of the summer. In August I was elected chairman of the board of the Klöckner-Humboldt-Deutz AG (KHD) in Cologne, but found it very hard to collect a functioning management group. I made several trips to Heidenheim and also to Frankfurt in order to "pry loose" a man whom I had selected for management but it was impossible to get him released. Along with a considerable number of scientists, economists, and engineers the Americans had at the last moment shipped him to Heidenheim from Thuringia just before the arrival of the Soviets, but now all these gentlemen were being kept in "cold storage."

I also visited Cologne several times to meet with the British occupation authorities and, at the same time, to maintain a close connection with the mayor of Cologne, Dr. Konrad Adenauer, with whom I was already acquainted, and with the banker Robert Pferdmenges, who at that time headed the Cologne chamber of commerce. I became chairman of the forerunner of today's Iron and Steel Industries Association (Wirtschaftsvereinigung Eisen- und Stahlindustrie) at their request and with the support of Dr. Lehr, whom the British had installed as administrative head of the city of Düsseldorf. Later, when he was appointed president of the Rhine province, he appointed me to the Provincial Council, which was to have its first meeting in December, 1945. As chairman of the Iron and Steel Industries Association I lost no time. We had frequent smaller and larger meetings to discuss means of getting our industries on their feet again and of effecting a more fruitful relationship with the highly unaccommodating occupation authorities.

The fact that more and more leading industrialists were forbidden to resume their former positions was only the first signal of the coming storm. In September 1945 a wave of arrests began, involving the leading men in industry, first in coal mining and then in other large enterprises. Apparently the victors felt that they had to remove the leaders of industry as a particularly guilt-laden power group of National Socialist Germany. In actual fact, the degree to which industrialists had been part of the Nazi power structure had varied greatly; certainly only a minority had been involved. Every local party boss had had more real authority than most of the heads or owners of internationally known industrial concerns. In any event, the climate in the British-occupied zone worsened steadily. Even Dr. Lehr, whom I have already mentioned, complained that he had been virtually reduced to taking orders. It was also distressing that a number of German newspapers, licensed by the occupation authorities, published venomous attacks on some of the industrialists rounded up in wholesale arrests. Karl Röhrig, my violinist friend, told me most amiably at the time that he hoped Klöckner, too, would soon have to close its gates so that I could devote all my time to music and give concerts with him. Luckily it did not come to that. However, the leading men at Klöckner's, myself included, had to give the occupation authorities an account of ourselves by filling in the famous questionnaire with its 131 imaginative questions. We were so taken up with activities such as writing reports and filling out applications for permits that often there was hardly time for useful work.

In the following weeks the only good news was the gradual increase in coal production in the Ruhr region. At the beginning of October it had reached 135,000 tons daily. But other attempts to resume production were still being hampered. Our plant in Haspe was the first to be granted permission to start work again, but this permission was later withdrawn. At Klöckner-Humboldt-Deutz the machinery in Oberursel was dismantled for reparations, and the plant was requisitioned by the occupation authorities for use as a repair shop. Of our factories in Cologne only the Humboldt division, because of its importance for coal mining and bridge building, was given unrestricted permission to resume operation; the production of all the other branches of our enterprise was strongly curtailed.

Other concerns were even worse off. Because of the dismantling of machinery, the widespread arrests, and the ban on the employment of certain executives, the reorganization plans that the British authorities

had envisaged for the German mining industry had to be temporarily shelved.

Politically, too, matters were no better. In October the British suddenly dismissed Johannes Fuchs, the president of the Rhine province, and Dr. Adenauer, the mayor of Cologne. Dr. Lehr, too, offered to resign but instead was ordered to take Dr. Fuchs' office as president of the province. Direct intervention of the occupation authorities in industry also continued, and on November 28, a Sergeant Rotherham appeared in the Klöckner building in Duisburg in order to institute Allied financial supervision of the Klöckner companies.

My hour was to come too; on the night of November 30, I was arrested, together with seventy-five other leading steel industrialists. On that evening, the committee of the provisional municipal council had had a meeting (I was a member, and it is perhaps worth mentioning that before our appointment we had all been thoroughly investigated by the occupation authorities). Next day the radio announced that at 12:30 A.M. Sergeant Mitchell and two other soldiers had appeared in our apartment in the Ludgeristrasse to take me into custody. The other people living there had been ordered not to leave the house or to use the telephone before 9 A.M., which the soldiers ensured by removing the diaphragm from the telephone mouthpiece. I spent the rest of the night with some other gentlemen from Duisburg and the surrounding area in the servant quarters of our former house at Wilhelmshöhe 10, which had been taken over by the British. From there we were taken early the next morning to Iserlohn where we and some other smaller groups of men were confined for three days in very primitive, cramped, and completely dark single cells. Then, chained together like dangerous criminals, we were taken in trucks to what we later learned was the infamous concentration camp of the British Secret Service in Bad Nenndorf near Hannover, which was hermetically sealed off from the outside world.

Nearly all the leading men, particularly in our industry, had been arrested, in keeping with the best tradition, in the middle of the night. Apparently they had been picked up indiscriminately according to membership lists, covering the past five or ten years, of the boards of directors and executive committees of the large iron and steel concerns. They were mostly confined in the various collection camps which had been set up in the British occupation zone. On the morning after our arrest I was to have chaired a meeting in the Klöckner building in

Duisburg of the executives of the various steel plants. Only one member of our industry association appeared for this meeting; he had probably escaped the wave of arrests because the occupation authorities did not want to leave this basic industry completely leaderless.

I was held in Nenndorf for exactly six months under the most primitive conditions and subjected to a severe prison regime, wholly inadequate nutrition, and worse than rude treatment at the hands of the guards. Apart from about twenty industrialists and some bankers, there were a number of diplomats and senior officials from the ministries, a number of German counterintelligence officers, and about fifty Nazis of middle or lower rank. During the whole time of Hitler's rule I had never met as many Nazi officials as now in Nenndorf. To be addressed by them as "comrade" was, for me, a strange experience. During the night we sometimes heard echoing through the corridors the cries of those who were obviously being maltreated, but our group at least was spared this. However, it was sometimes weeks before we were allowed to leave our narrow cells to get some fresh air. Most of us, including myself, were interrogated only a few times and then about more or less insignificant matters. Basically these interrogations were a complete farce; at no time was I told why I had actually been arrested. When in December the date drew near for the inaugural meeting of the provincial council in Düsseldorf, to which I had been appointed by the Provincial President, Dr. Lehr, I requested leave to take care of my parliamentary duties, a request, I imagine, that must have elicited a smile even from our stern jailers. At that time many things simply took place "extralegally."

Happily, the attitude of the German industrialists assembled in Nenndorf was, with some minor exceptions, commendable and heartening. Admittedly, we had imagined that our "reeducation in law and order" would take a somewhat different course. I, especially, who thought that I knew the English so well, would have regarded their behavior as quite unthinkable had I not experienced it myself. The occupation authorities certainly made things too simple for themselves with their principle of "automatic arrest," ominously reminiscent of the Nazis' custom of arresting all the relatives of suspects, leading to many innocent men being confined behind prison gates and barbed wire. It was not surprising that certain newspapers and small-minded people, let alone the downright *mauvais sujets* whom one can find in every nation, thought they could now treat these men without exception as criminals even though in many cases they had neither been interrogated nor convicted. The whole procedure would have been

somewhat more plausible if it had been instituted immediately after the war, that is, at the beginning of the occupation when feelings were understandably high. Eight months later, however, one had the right to expect a more responsible procedure, particularly from a victor who had announced his intentions of leading the German people back to order and justice. During the first months after the war, many arrests also were made and other unfortunate measures taken by the American occupation authorities in their zone, but the general attitude toward the German people improved there more quickly than elsewhere. From the beginning the Americans took a more detached view of our efforts at reconstruction.

My description of my "taking the waters" in Bad Nenndorf would be incomplete were I not to record my deep gratitude for my wife's efforts to get me released as quickly as possible. She was sent from pillar to post, had to go on some very exhausting trips and face several not always pleasant interviews. It must be acknowledged that the various British officials treated her mostly with courtesy and sometimes even with understanding. Occasionally she was assured of help but later it was not clear whether some real efforts had been made in my behalf or whether the official in question had not possessed sufficient influence. I am, however, convinced that my wife's continuous efforts did contribute to the whole question of the arrests of the industrialists being brought into the open as well as hastening my own release. It is also noteworthy that she not only managed to discover where we were being confined (although the fact that we were in Bad Nenndorf had been surrounded with the greatest secrecy) but to find little loopholes in the net that surrounded us, so that after months of isolation from the outside world I did receive occasional news.

These experiences did not leave me with a feeling of resentment, but they did perhaps contribute to relieving me a little of the sense of inferiority I had acquired as a German during the Nazi period. Many of my former English acquaintances whom I later told about Bad Nenndorf felt ashamed or refused to believe it. Several years later the British Foreign Office invited me for eight days to London, lodging me in a suite in one of the leading hotels and providing me with a chauffeur-driven Rolls Royce. It was my first stay in England after the war and I saw much that was familiar and many new things.

After leaving Nenndorf we were kept for three more months in the Hemer general internment camp near Iserlohn. There were no interrogations, and finally, after a total of nine months, we were successively released. I was one of the first to be set free, without reason or

explanation being given. Many of our group had to wait nine months more or even longer. In the afternoon of September 6, 1946, I arrived back in Duisburg. On the morning of the same day my wife had just received a reply from the British authorities to her latest application for my release; it was marked "Rejected"!

Another significant date for me was November 14, 1946, the day on which I was "denazified." The whole process took less than a minute, but it was some time, in fact, not until January 31 of the next year, before the British occupation authorities granted me permission to reenter my office at Klöckner's and to resume my work there.

Before this came about we had a little musical intermezzo at a chamber music concert of the *Gesellschaft der Musikfreunde* (Society of the Friends of Music) in Duisburg, whose chairman I had become immediately after the war. The severe winter had made travel by railroad, at best still very slow, even more uncertain, and the day before the concert a Munich quartet had to call off their appearance with us because their train had been canceled. At short notice Karl Röhrig, the concertmaster, and I provided a program of sonatas, with the Beethoven *Kreutzer* Sonata, of course, as our *pièce de résistance*. I had the satisfaction of finding the friendly head of the British occupation forces sitting at my feet shortly after he had had to grant me permission to appear in public. Afterwards Mayor Weitz invited the artists and their friends to a little supper, consisting of a thick nutritious soup. Some of the newspapers reporting the concert promoted me to "Professor." In any event, everyone was very pleased, and we had the feeling that the worst was over.

After fourteen months of enforced idleness I threw myself into the work of rebuilding Klöckner. At first, however, my freedom of action was severely limited. According to Ordinance no. 5 of December 22, 1945, the Klöckner coal mines had been withdrawn from our proprietary control, separated from our steel plants and assigned to the "North German Coal Control" under the British occupation authorities. Our iron and steel plants had also been removed from our control until further notice—according to Ordinance no. 7 of August 20, 1946—and had been assigned to the "North German Iron and Steel Control," which appointed a board of trustees as its executive organ under the direction of Dr. Dinkelbach. A control committee, with Dr. Deist (later a member of the Bundestag) as chairman and Dr. Bender (a Düsseldorf attorney) as deputy chairman, was to safeguard the rights



of the board of directors, but it also had more extensive functions. The main administrative office of the Klöckner-Werke in Duisburg was thus completely cut off from the management of all these plants and was even forbidden to be in contact with them.

Of the Klöckner-Humboldt-Deutz AG, the plant in Oberursel remained in American hands and the plants in Ulm were also put under American trusteeship. On the whole, however, production was resumed sooner in the Klöckner-Humboldt-Deutz AG plants than in the Klöckner-Werke. By the early summer of 1945, about 1,700 former employees of the Cologne firm had returned to work, and a year later there were almost 7,000. However, here, too, there were delays and reverses. In October 1945 the British military government suddenly withdrew permission for the resumption of general manufacture in the Cologne works and restricted it to mining machinery and spare parts. Only a year later were we allowed to resume the construction of engines and tractors. In other respects also the managements of our Cologne and Duisburg enterprises were unable to institute any measure of importance without having first to go through the troublesome process of obtaining permission from the occupation authorities. Despite all these obstacles I took up my work again; countless other men throughout our companies, in whatever positions, helped me with devotion and energy.

I cannot close this chapter without recording my gratitude to my fatherly friend, Dr. Karl Jarres. When during my internment I was unable to attend to my duties as Peter Klöckner's successor, Dr. Jarres immediately filled the breach. In the truest sense of the word he was the "guardian" of our orphaned firm. During the difficult time after Germany's collapse in 1945, he and the banker Robert Pferdenges devoted all their energies to salvaging and rebuilding our industry. These two men must largely be credited with laying the foundation on which a functioning economy could arise again from the wreckage of German industry. The Klöckner enterprises will always be indebted to them.

*Member of the Frankfurt Economic Council (1947-1949)*

In June 1947 a joint decree of the American and British military governments created the "Bizonal Economic Administration" in the so-called "Bizone," with its seat in Frankfurt. This had been preceded,

at the end of 1946, by a preliminary agreement between the Americans and British that led to the formation in Minden on January 1, 1947, of a bizonal administrative office for industry, agriculture, and finance, under the direction of Dr. Rudolf Mueller, Dr. Hans Schlange-Schönigen, and Alfred Hartmann. This brought to an end the one-sided, arbitrary policy of the occupation authorities in the British zone, which had brought economic chaos to the Ruhr and had seriously disturbed the Americans who, for their part, had decided to adopt a more positive policy toward Germany; this change was announced by Secretary of State Byrnes in a speech at Stuttgart in September 1946.

The new decree of June 1947 called for an Economic Council (Wirtschaftsrat) of fifty-two members, certain of whose functions were to be assigned to an "executive committee." Both organizations remained under the supervision of the British-American Bipartite Control Office. In 1948 their responsibilities were expanded, and the membership of the Economic Council was doubled to 104 delegates, of whom forty each belonged to the Christian-Democratic parties (CDU/CSU) and the Social Democratic party (SPD) and eight to the Free Democratic party (FDP). Six delegates were Communists, and ten were members of other, smaller parties. The executive committee became an "administrative council," which in some respects began to resemble a small cabinet, departmentalized into the administration of finance, industry, agriculture, transportation, labor, and postal services. The "directors" of these departments were in the main members of the CDU/CSU, with a smaller number, members of the FDP. France did not join in this arrangement until April 1949, when the "bizon" became the short-lived "trizone." In East Germany the Soviet authorities created their own councils, thus perpetuating the tragedy of Germany's division which had started with the partition into occupation zones.

The Americans and British were not, however, ready to let the Economic Council handle questions of German export trade and foreign exchange. At the beginning of 1947 they created a special Allied office for these problems, called the JEIA (Joint Export-Import Agency) which in the fall of 1948 also included the French zone. This agency was not dissolved until 1950, and even then it was years before it wound up its affairs. German business did not regard it with favor; in fact, it was generally considered an organization for the "prevention" of German exports. It was a typical product of the transitional period before the Allies began to realize that to curb German economic re-

vival was not in their own best interests and that they would have to accept the fact that a healthy Germany would again become competitive in foreign markets.

At the beginning of the occupation and until the time of the Frankfurt Economic Council, hatred and bitterness quite naturally precluded rational considerations. After all that had happened this was entirely understandable. Bitter feelings were much stronger and persistent among the British than the Americans, with the result that for a long time the British military authorities sought to hinder rather than promote the reconstruction of German industry. But eventually the Allies changed their attitude relatively quickly. The real change was heralded by the Marshall Plan of 1948, for which the whole Western world will forever owe a debt of gratitude to the United States. In the course of time, a total of 1.7 billion dollars was funnelled into West Germany. The Marshall Plan had been preceded by the GARIOA (Government and Relief in Occupied Areas), a fund for the financing of essential imports to West Germany. It too was financed by the Americans and amounted to 1.6 billion dollars.

For the rest, we were probably fortunate that the growing rift between the Western powers and Soviet Russia loosened our chains much sooner than could have been hoped for in 1945, yet without the East-West conflict deteriorating into a "hot war." Had this development not also led to the continued division of our nation, every city in West Germany would have good reason to erect a monument to Stalin.

The members of the Frankfurt Economic Council were elected in the early summer of 1947 by the parliaments of the *Länder* according to the system of proportional representation. My name had been entered on the list of the CDU for North Rhine-Westphalia, and I felt duty-bound to accept election to the Economic Council. Politics thus enslaved me once again and became a second profession. In addition to my work in industry I became a parliamentarian insofar as the Economic Council could be compared with a parliament.

When we began our work in Frankfurt we lacked almost everything considered necessary for orderly parliamentary proceedings. First of all, anyone visiting Frankfurt at that time found street after street of ruins staring at him. Our first meeting hall was the auditorium of a theater that was in active use, so that our meeting times had to be fitted in between rehearsals and performances. We had no telephones, no typewriters. Our accommodations in the few existing and unrequisi-

tioned hotels were more than inadequate. The journey to Frankfurt alone was difficult. For a long time the French zone had to be carefully circumvented since automobiles were liable to be separated from their owners there. Considerable time elapsed before all these difficulties could be overcome, along with the infantile diseases, so to speak, of our institution. And the problems were, of course, not made easier by the realization that we had only ourselves to blame for all this misery.

The following incident will serve to illustrate the conditions under which we worked: We were looking for a successor for Dr. Semler who had been the director for industry but was dismissed by the Allies in January 1948 because of his famous "chicken feed" speech, a reference to the quality of food then available to the German population. The position was to be filled by a member of the CDU/CSU, and two of its members, Dr. Pferdmeniges and I, were to conduct an exploratory discussion with a potential candidate. We held our meeting in a small room furnished with only a wooden chair and a scrubbed wooden table. Pferdmeniges was seated on the chair while the candidate and I sat on the table dangling our legs. In this thoroughly unceremonious manner we conducted some important economic discussions. After some consideration the man we interviewed in this session, memorable for its setting (it was Dr. Seebohm, who later became Minister of Transportation in the Federal Republic) was not chosen, but the place was filled by Professor Ludwig Erhard.

The momentous economic turning point of those years was the currency reform of 1948. Its success was due not so much to the radical measure ordered by the Allies, but to the use made of it by the Germans under Erhard's leadership. I believe that the majority of the Frankfurt Economic Council, together with its Department for Trade and Industry, did pioneering work. Without their courageous readiness to make decisions and their energetic and fearless labors, the whole currency reform would have remained a transitory episode. The reform itself created the conditions necessary for rebuilding the economy, but no more. It was only the Economic Council that made possible the deliberate transition from the compulsory and planned economy of the prewar, wartime, and postwar periods to the open market economy that the CDU/CSU had made its watchword even before the currency reform. At last the almost moribund German economy could be brought back to life by systematically removing all the barriers to its recovery. The steadfast labor that this required in the Economic Council soon led to the crystallization of the future government coalition

that would guide the Federal Republic until 1957 and again from 1961 to 1966. The principles on which, after 1949, the economic policy of the young Federal Republic was based and which made possible the incredible revival of its economy were established then. We thus lacked neither the understanding of what was necessary nor the determination to carry it through.

The best proof that it was the reorientation of economic policy and not the currency reform alone that brought about the change for the better is that in other countries where currency reform alone was initiated this basic change did not occur or else was long delayed. This was true in Austria and in the Saar, and conditions in the French zone did not improve until, after considerable delay, the economic principles that had been put into practice in the British-American zone were applied.

By no means did these changes come about without opposition. There were many, including of course the solid front of the Social Democrats, who predicted that the inevitable consequences of the abandonment of a planned economy would be economic chaos, particularly massive unemployment. Others maintained that the immediately evident favorable effects of the market economy were only a delusion on which no reliance could be placed. Of course, the unemployment problem was a matter of considerable concern to us. Its cause, however, was not the changeover to a market economy but the millions of refugees who streamed into the Federal Republic from the East, hardly able to find shelter because of the catastrophic housing shortage, much less a place to work. But this problem, too, was tackled energetically. The real barriers to reconstruction, those that were the most difficult to overcome, were of a different nature: for example, the shortage of capital, which even today hinders economic development in the Federal Republic.

During this period, I paid my first visit to Argentina since the end of the war. My hosts expected to have to build me up with good food and were surprised not to find a broken-down Central European. We were by no means in that condition, but the picture was depressing enough: the Russians were blockading West Berlin, while in West Germany the dismantling of machinery, the prohibition of production, and other far-reaching measures by the Allies were the order of the day. The occupation authorities had announced their plan for dismantling German industrial equipment as early as the beginning of 1946,

and in the two subsequent years it was carried out almost totally. The Klöckner works were also affected. A large number of factories and machines had to be dismantled, and only after much effort was it possible by the end of 1949 to avert further demolition. Other enterprises in basic industry were forced to dismantle their plants to a much greater extent.

In view of the prevailing uncertainties about ownership, the supply of raw materials, and the availability of plant and machinery, West German industry found it very difficult to keep production going. Nor was the situation any better from an organizational point of view, especially insofar as heavy industry was concerned. The trusteeship established in 1947 by the North German Iron and Steel Control began its work by forming so-called "unit companies," each with a capital of 100,000 reichsmarks, from the metallurgical works that it administered. The Klöckner-Werke AG was, therefore, compelled to surrender the Haspe iron works, the steel processing plant at Osnabrück, and the Georgsmarien steel works to such unit companies, though it refused to sign the requisite contracts. These contracts provided that all machinery, fuel, and finished products be sold to the new companies. The proceeds of the sale, which Klöckner refused to accept and which, therefore, were deposited in a bank, dropped to six and a half percent in value after the currency reform, while the credits that the unit companies had obtained to finance the purchases were now valued at 10 per cent. After this reorganization of the Klöckner works, only the plants in Düsseldorf and Troisdorf remained under the management of the main office in Duisburg. At the end of 1948 the military government promulgated the ominous Law no. 75, which envisaged the complete dissolution of all large enterprises in heavy industry. This was followed a few weeks later by agreement on the Ruhr Statute between the United States, Great Britain, France, and the Benelux countries. Under that statute, all the basic industries of the Ruhr were placed under the control of an International Ruhr Authority in Düsseldorf which was also to supervise the separation of coal mining from steel making: all in all a depressing prospect for rebuilding our country.

When I visited the United States a short time later, things looked a little more hopeful: the Federal Republic was about to be born and America regarded it almost as its own child, concerned for its welfare and even ready to support it financially. During my visit I was told of the following remark made to an American by a Finnish Communist

visitor: "Your country is hopeless. Too many of your middle class are of proletarian background and too many proletarians have middle-class aspirations." That disappointed Communist would probably have thought the same of Germany; he was obviously disturbed that the Americans, like ourselves, preferred to work for a decent standard of living, rather than letting themselves be dazzled by the deceptive ideology of a classless society.

In the Economic Council at Frankfurt I occasionally spoke at some length. Inevitably there were debates with the Communists who played a parliamentary role there and later in the first Bundestag. When the Communist delegate Friedrich Rische once again played his old record equating the iron and steel industry with war criminals, I replied, to the delight of the House, that steel seemed to contain some hidden poison that turned everyone who came in contact with it into a heinous criminal, beside whom Hitler was a mere fellow traveler.

In a speech concerning the problem of the dismantling of plant and machinery, which at that time weighed so heavily upon us, I raised the question whether it was really believed that the dismantling of our industrial equipment was a suitable means of winning the soul of the German people for the ideals of the West. If reparations were to be demanded, then surely experience had shown that no reparations on the part of Germany could be as valuable and effective as her fullest possible contribution to the reconstruction of the European economy. I quoted the President of the United States, who had recently stated that in the future the Marshall Plan would be considered the dividing line between the old era of national mistrust, economic hostility, and isolationism, and a new era of mutual cooperation. We, too, heartily desired to see the dawn of this new era, but could not help feeling that the policy of dismantling was unquestionably a relic of the old one. If concessions were made on this question, I went on to say, the results would be very fruitful. We appealed to the occupying powers to show, by suspending the dismantling, their faith in the spirit of the new era, about which President Truman and French Foreign Minister Schuman had recently spoken so eloquently.

On August 27, 1949, the CDU/CSU caucus in the Economic Council met for its last session in Frankfurt. It happened that on the same day my family and I were able to move back into our rebuilt home at Wilhelmshöhe 10 in Duisburg. I want also to mention that during my membership in the Frankfurt Economic Council I entered another

field of endeavor—as a sort of balance—by establishing in 1948 my own music publishing house for the publication of the original texts, or *Urtexts*, of our great masters. But more about this later.

Although the Frankfurt Economic Council was the creation of the occupation authorities, as the result of our energetic efforts it developed into an important and independent body. Its debates, on the whole, were characterized by objectivity, and its general level was perhaps the highest in the history of German parliamentarianism. However, the fact that it was under the control of the occupation regime naturally made it difficult for it to gain respect and popularity among the German public. In addition, confidence in the future awakened only slowly in the German people after the catastrophe of 1945.

Nevertheless, the Economic Council, with its organs, was the cradle of a new German political structure. With the establishment of the Bank Deutscher Länder and of the German Obergericht (high court) in Cologne, which had the entire united economic region under its jurisdiction, the groundwork was laid for the future Federal Bank (Bundesbank) and the Federal Supreme Court (Bundesgerichtshof). In addition to the Economic Council, a Parliamentary Council was constituted in Bonn in 1948. Its function was to adapt the constitutional draft, which a committee of experts had worked out at Herrenchiemsee in southern Bavaria, into the Basic Law of the Federal Republic of Germany. This law was promulgated in May 1949 with the assent of the assemblies of almost all the *Länder* (states).

Thus the first Bonn Bundestag could be elected that same year by the entire population of the three Western occupied zones. The electoral system of proportional representation was used, although many among the leaders of the British Labour party, then in power, would have preferred Germany to adopt the majority system used in England. However, when they gained the impression that this might be disadvantageous to the Social Democratic party, their enthusiasm, unfortunately, waned quickly and they agreed to the system of proportional representation. On September 15, 1949, the Bundestag elected one of its members, Konrad Adenauer, to be Federal Chancellor with a majority of one vote (mine). This put into power a federal government that had been elected according to all the rules of democratic procedure. While we had not accomplished miracles, we nevertheless had come a long way. It was, of course, extremely unfortunate that



the Soviet-occupied zone could not be a partner in the formation of this new German state.

*In the First Bundestag  
European Coal and Steel Community  
and the German Treaty (1949–1953)*

When in 1949 the great change came, and the political stage shifted from Frankfurt to Bonn, I found myself, somewhat against my will, a member of the Bundestag. I had actually planned to leave politics and devote myself once again entirely to my work in industry. However, Adenauer simply would not take no for an answer. The four years from 1949 to 1953, therefore, became one of the busiest times of my life. Work in the Bundestag, of course, was a considerable strain; it meant constant traveling between Duisburg and Bonn on highways that were still in hopeless condition, a rapid succession of discussions and meetings, the hurrying from deadline to deadline. Moreover, the Rhein-Wupper district that I represented was naturally entitled to see me periodically and to have its interests looked after in Bonn. For the Bundestag elections I spoke there almost continuously, in the end making as many as five speeches a day. We really worked to the point of exhaustion, and many paid for the furious tempo of the reconstruction years with their nerves and, in some cases, with a premature death. To put it briefly, it was no less difficult in those days to be a member of the Bundestag than to become one.

Yet I would not want to forgo the memories of those days, and not simply because political questions of the utmost importance were then awaiting their solution in Bonn. The first Bundestag was more than a parliament that dealt routinely with a certain amount of legislation. It was a new beginning; a new political structure was being erected from the ground up. This meant that the correct points of departure had to be determined and a plan drawn up that would lead to the birth of a German democratic state based on justice and freedom. The majority of the Bundestag members were quite conscious of this, and their feeling created the special atmosphere of this first German postwar parliament. Our work was that of founding a state—a privilege granted to only a few parliaments. Despite all the criticism that can be leveled against the first German Bundestag, and despite the almost purely neg-

ative attitude that the opposition party saw fit to adopt, I still believe that it discharged its tasks in an entirely praiseworthy manner.

The prelude to our work was the opening address to the Bundestag for the government, delivered in September 1949 by the newly elected Federal Chancellor, Dr. Adenauer. This was followed by our first great political debate. If today one rereads the record of this debate (for which I had been selected as speaker for the CDU/CSU on issues of foreign policy) one realizes how narrowly circumscribed was the sphere within which the occupation authorities' statute allowed us to maneuver and function. We stood at the beginning of a long road but we had made a start, and eventually our efforts were to meet with success.

So many important events took place in those years: right at the start the Petersberg agreement of November, 1949, then our entry into the Council of Europe; the Schuman Plan; the debate with the occupation powers over the reorganization of basic industries, I. G. Farben, and the large banks; many domestic controversies, and finally, in May 1952, the four accords of Bonn which became known as the German Treaty or the General Treaty. Looking back on our labors, we may say of the first Bundestag what Goethe wrote by the light of the campfire after the battle of Valmy in 1792: "Today began a new epoch of world history and you can say that you were there." At least as far as German history was concerned, a new epoch had indeed begun.

Bonn not only became the seat of our parliament but also a slowly growing new center of world politics. More and more, as the years passed, a member of the Bundestag was likely to rub shoulders with representatives of foreign countries. At first, of course, they were almost exclusively the officials of the Allied High Commission, which was enthroned high up on the Petersberg on the other side of the Rhine—a symbol of our respective positions. But slowly the gods came down from their lofty abode and we met each other in Bonn. Eventually they gave up the Petersberg altogether.

The first high commissioner of the United States in the Federal Republic was General Lucius D. Clay. He made a name for himself with the establishment of the airlift to West Berlin during the Soviet blockade in 1948–49. At that time his opinion of Germans was, understandably enough, not very high, particularly of men in leading

positions in business and industry. When the bizonal Economic Council was inaugurated in Frankfurt, the three high commissioners gave a reception for its members, and Pferdmenges and I were introduced to General Clay as two prominent representatives of finance and industry. The General's demeanor was icy; he lectured us briefly and then turned to another group. The situation changed strikingly when John J. McCloy succeeded Clay. From the start he showed himself to be open-minded and eager to establish personal relations with politicians of all persuasions in the Federal Republic. The republic is greatly indebted to this intelligent and farsighted man for his support during those first difficult years. McCloy's successor in turn, Ambassador James B. Conant, began his work as high commissioner by inviting a number of industrialists to a dinner and a most stimulating exchange of ideas. *Tempora mutantur.*

Among the successors of Conant as ambassadors of the United States in Bonn special mention should be made of Walter C. Dowling. He and his charming wife became our personal friends. With skill and tact Dowling avoided many a shoal in the relations between Washington and Bonn, and managed to resolve the misunderstandings that can arise even between allies, particularly if they are separated by an ocean. The same could be said of his successor, George C. McGhee, who occupied the office of U.S. ambassador to Bonn from the summer of 1963 until recently, a period of much political change in Bonn and in the world at large. With him, too, my wife and I had a pleasant personal relationship.

Among the French the most remarkable personality of the early postwar period was, of course, André François-Poncet, who had been ambassador in Berlin in the thirties. Before he came to Berlin, where he proved himself to be a skillful representative of his country and a shrewd political observer, he had been an assembly member of the moderate Right and had several times served as deputy assistant secretary of state. He had a perfect command of German but purposely spoke with a slight French accent; his knowledge of German literature, particularly of Goethe's period, was remarkable. Several of his *bon mots* were always in circulation and he constantly added to their number. During the Nazi period he once guided some acquaintances through an exhibition in the best Nazi taste in the Haus der Deutschen Kunst in Munich. One of the tremendous paintings showed the back of a nude with equally tremendous buttocks. When François-Poncet

and his friends passed this picture, he introduced it as "Frau von Berlichingen."\* At a dinner given for him by the chief of the press department of the German Foreign Ministry in 1938 on the occasion of his transfer to Rome, where the French embassy is housed in the magnificent Palazzo Farnese, he spoke wittily of being about to move from the Pariser Platz in Berlin to the "Palazzo Far Niente." He foresaw, correctly, that a French ambassador was not likely to earn any laurels in Mussolini's Rome.

During his time in Bonn, François-Poncet enjoyed many a verbal duel with the Federal Chancellor who was equally quick at repartee. When at the beginning of the fifties Adenauer advocated that the high commissioners become ambassadors, François-Poncet observed that it was plain the Chancellor wanted the high commissioners to become men in gold-braided uniforms so that, like beautiful butterflies, he could more easily catch them in his net. Adenauer is said to have replied that the high commissioners were quite at liberty to put butterfly nets on their list of forbidden weapons.

My wife and I were also on a friendly footing with M. and Mme. François-Poncet. Mme. François-Poncet was an ideal ambassador's wife, combining intelligence and culture with a socially winning and gracious manner. She knew her way about in the large circle in which they were obliged to move and was able to show a lively personal interest in the problems of the innumerable people with whom she spoke. They eventually retired to Paris where we often enjoyed their hospitality; our youngest son, Peter, during his years at the Sorbonne, was always made especially welcome in the house of the ambassador.

Among the other representatives of France in Bonn, ambassadors Maurice Couve de Murville and François Seydoux de Clausonne deserve to be mentioned here. Couve de Murville was a guest in our house and we in his. He later became widely known as de Gaulle's foreign minister, but this position between the self-willed French chief-of-state and the representatives of other governments cannot have been an easy one. Ambassador Seydoux, who recently retired, was not only personally charming and amusing but a very talented diplomat, possessed of a high degree of political astuteness. He had the unusual experience of occupying the post of French ambassador in Bonn a second time after an interlude of three years, and we and his many other German friends welcomed him back with particular pleasure.

\*The allusion is to Goethe's early play *Goetz von Berlichingen*, in which the hero, a medieval knight, declines a demand for surrender with a rather earthy expression.

The relationship between the new Federal Republic and the British representatives was not quite as fruitful as that with the Americans and the French. The British high commissioner, Sir Ivone Kirkpatrick, was rather on his high horse when dealing with Germans and, in the long view, forfeited many an opportunity of which his more open-minded colleagues took advantage. Between his tour of duty in Bonn and his retirement Kirkpatrick was for some years permanent undersecretary of state in the British Foreign Office. In 1959 he published a book *The Inner Circle*, in which he gives a detailed account of the situation in prewar Germany, matters more or less generally known, while treating rather cursorily the years of his own work in postwar Germany about which he surely might have had something worthwhile to say. When Sir Frank Roberts—recently retired—was appointed British ambassador, his country was once again represented in Bonn by a diplomat of a high caliber who established for himself a very respected position in the Federal Republic. He and his charming, intelligent wife also became personally close to us.

My wife and I quite deliberately cultivated personal contacts with the ambassadors of the Western great powers as well as with those of the smaller states. During the first postwar years, and later too, it seemed important to us to help correct the distorted picture of Germans that the outside world had inevitably gained during the Nazi period. This could hardly be done only through official contacts. It was necessary for the members of the foreign embassies in Bonn to have closer dealings with Germans and their families, but this need was not easily met within the modest opportunities offered in Bonn. One of the difficulties for us was, of course, the distance between Duisburg and Bonn, which even today is more than an hour's travel by car and, especially during the winter months, is rendered hazardous by ice and fog.

However intense the frequent struggles between the Federal government and the Allies, the whole atmosphere during those first years in Bonn gradually became more favorable, and there even developed a spirit of mutual confidence and understanding between us and our former adversaries. This was all the more remarkable as after the end of the First World War it had taken longer—at least several years—before the deep mistrust that Germany's former enemies felt towards her was dissipated. After 1945, too, this change would probably have come about much more slowly if Stalin's ruthless policy of Soviet ag-

grandizement had not practically forced the young Federal Republic to cling as closely as possible to the West. On the other hand, Stalin's policy demonstrated clearly to the Western powers that Russia intended to expand its sphere of influence. Special highlights of this development were the first visits of the foreign ministers of the Western powers to Bonn. Among them was that of Robert Schuman in January 1950, which, despite the shadows that the Saar question had once again thrown over Franco-German relations, prepared the ground for a momentous event: the announcement of the Schuman Plan in May 1950. To the world at large this proposal by the French government came as a surprise. The reaction in France itself was mixed, though in the United States and Germany it was overwhelmingly positive. In fact, the enthusiasm with which it was greeted in Bonn alarmed the French. Great Britain's response was somewhat cool, but Prime Minister Atlee welcomed the plan as a means for ending ancient Franco-German dissension and for establishing a united and pacified Europe.

A few days after Schuman had published the proposal for merging European coal and steel production, I was asked by the United Press to make a statement. I said that this courageous move by France represented an international event of the utmost importance. Politically, the realization of this plan would mean immeasurable progress in the direction of Franco-German understanding and open the road to a united Europe. From an economic viewpoint, the plan would further the integration of Europe by making a very concrete proposal in a specific, all-important direction. I added that if other European countries would support the initiative taken by the French, it would be all the more effective in bringing about a basis for political and economic integration.

In the history of the postwar years the ratification of the Schuman Plan through the creation of the European Coal and Steel Community (ECSC) in Paris on April 18, 1951, will perhaps be considered one of the most significant events of the first decade after the German collapse. I did everything I could to help bring about the conclusion of this treaty, particularly as it was to replace the Ruhr Statute which forbade us to produce more than eleven million tons of raw steel annually. In a memorandum written in June 1950 at Chancellor Adenauer's request and submitted to him, I set out in detail my thoughts and opinions regarding the Schuman Plan.

I pointed out that among other things we would have to make sure

that in the merging of the basic industries under a joint administration we would be treated as equal partners. Undoubtedly one of the more weighty factors underlying France's proposal was her desire to gain a wider market for her steel products, which would enable her to maintain in the future the advantage she had already gained in steel production on the continent. Nevertheless, I continued, it was likely that French political motives were even more important, namely the unification of Europe on a basis of economic cooperation, the amelioration of the Saar problem, and the beginning of a reconciliation between Germany and France in a manner that would safeguard French interests. The purpose of the Schuman Plan was to coordinate the coal and steel industries of the participating countries. It was to be a regulating, not a controlling instrument. For the Federal Republic, too, the export of steel must again become an important means of earning foreign currency. However, I pointed out that the lifting of tariffs, which the Schuman Plan envisaged, would be decidedly unfavorable to us. It was to be hoped that this would be balanced by the advantages resulting from the common market of the Coal and Steel Community. Finally, in order to ensure that Germany would be an equal partner in the ECSC it was urgently necessary that an end be put to the reorganization of our basic industries under the aegis of the Allies. It was not compatible with the idea of a European Coal and Steel Community that "deconcentration" be continued in our country while in France the opposite process had been taking place for the past two years.

At the end of my memorandum I touched on a subject that then gravely concerned West German basic industries. The dismantling of factories had noticeably abated since 1949 and had come to an end altogether in 1950. Production, too, had slowly risen and since 1947 the above-mentioned Joint Export-Import Agency had even permitted some exporting of German steel, although to a very modest extent. We could once again think of building new factories, and in 1949 the Siemens-Martin steel works of the Klöckner-owned Georgsmarienhütte was the first new postwar plant to be constructed by the West German steel industry; it was put into operation in 1952. The general atmosphere in the factories had also become more normal. After 1949 there was an end to the custom of part of the labor force constantly traveling to their home villages to help with the harvest, a custom that had become established during the first postwar years.

However, German industrial enterprises now entered a period of

new trials: the procedure termed "deconcentration," which was to be a preliminary measure for the reorganization of the basic industries. These measures, as I have said, had long since been announced by the occupying powers; now it became an urgent necessity for our economy to establish clearly how this intolerable state of suspense was to be ended. Naturally, everything depended on how the proposed measures were to be put into operation.

The first result of the Allied Law no. 75 of 1948 was the establishment in the following year of an association of trustees of the steel industry. Consisting of twelve members, it was charged by the three occupying powers with working out proposals for the deconcentration of the basic industries. I, too, was asked to become a member but declined as I had reason to believe that the reorganization would entail infringements of owners' rights that as a member, I would be powerless to prevent. The association, therefore, was formed with only eleven members. In February of that year its birth was satirized in the Düsseldorf carnival parade, showing eleven members seated in a car to which was hitched a baby coffin containing the twelfth man. In May 1950, only a week after the publication of the Schuman Plan, the high commissioners promulgated Law no. 27, a new edition of no. 75, which now was to bring about deconcentration. The first regulations, made under Law no. 27 in 1950, provided for the liquidation of all the large companies in the coal and steel industry, including the Klöckner-Werke AG.

The whole deconcentration business was based on the assumption that these concerns represented an excessive concentration of economic power. The victorious powers had already advanced this thesis in the Potsdam Declaration in 1945. Its absurdity becomes obvious as soon as one compares the production figures of most of the German iron and steel works with those of the United States. Measured against the capacity of the American concerns—the largest of which at that time produced thirty million tons of steel annually—the raw steel output of 1.2 million tons that the Klöckner works (and also the great majority of the other German steel companies) were able to produce annually put us practically into the category of small business enterprises. However, the opinion that an excessive concentration of power existed was steadfastly maintained by the Allied authorities in Germany and determined their attitude on all individual questions. Almost without exception, they adhered to their views even when confronted with the most convincing counterarguments, either because they were strictly



following instructions, or because officials were entrusted with making decisions for which they were equipped neither by background nor by education. In addition, some of the administrators in uniform were members of companies in their own countries that were our old competitors on the world market. This became quite obvious, for example, when we were negotiating for permission to resume engine production in our Cologne plants.

One really had to get to the top-level economic advisers of the high commissioners themselves to find someone who really understood the far-reaching significance of the questions that arose. Even among these men, the American, Professor Robert R. Bowie, maintained a rigid dogmatism in opposing almost every reasonable arrangement, while the British adviser, Sir Humphrey Trevelyan, later British ambassador in Peking and Moscow, proved to be decidedly understanding; the French representative, Paul Leroy-Beaulieu, also was open-minded. On the American side, fortunately, this was also true of High Commissioner McCloy himself. But even the highest representatives of the Allies in the Federal Republic remained for a long time strictly committed to the guidelines their governments had established, particularly on questions of deconcentration.

There was no direct relationship between the German deconcentration project and the Schuman Plan. However, the fact that the plan was announced at the same time that the reorganization of the basic German industries was to take place was of great importance. Both plans, after all, were by and large concerned with the same industrial enterprises. If the Schuman Plan—premised on a viewpoint diametrically opposed to Law no. 75—was to be realized, all discriminatory treatment of the German basic industries would presumably have to come to an end within the foreseeable future. This constituted an additional argument for accepting the Schuman Plan, even though it was less important than the compelling foreign policy reasons that spoke for acceptance.

It was at that time of the utmost importance to have these reasons given due recognition and to dispel whatever objections may have existed. I, therefore, spoke in favor of the Schuman Plan in a great number of lectures, discussions, and articles. What today has become reality then had to be tenaciously fought for against all kinds of opposition. It is noteworthy that the least resistance came from the basic industries, whose leading men had been very open-minded from

the beginning. In a lecture in 1951 to the Economic and Industrial Association of the Rhine-Westphalia industrial region, I emphasized that while it was not the purpose of the Schuman Plan to make a choice between an open and a planned economy, between socialization and private ownership of industry, the principles of free competition must not be surrendered. The future partners under the plan would need to be in agreement about the necessity of competition as the most essential incentive for the growth and improvement of production. The new idea that the Schuman Plan presented was the desire to unite Europe not on an international but on a supranational basis. It proposed to rebuild Europe from the bottom up, as it were, by creating harmony among the common interests of one of the main areas of economic life. In those circumstances the plan had become the test of whether this road toward European unity was really open, for the unprecedented international situation demanded such unity with an urgency that the whole Western world recognized.

I sent a printed copy of this lecture to French Ambassador François-Poncet, who thanked me most cordially: "Il faut des pionniers pour arracher les sociétés humaines à leurs routines. Vous aurez été de ces 'Bahnbrecher' [trailblazer]." In France industrialists had the lecture translated into French and circulated among their staffs.

In an interview printed on January 28, 1951, in the *Washington Post* on the subject of the Ruhr industry entering into trade relations with the East—a possibility that worried that influential newspaper—I pointed out that the view that the German basic industries desired nothing more than to do business with the East was simply a legend. The leaders of German industry were convinced adherents of the principles of economic freedom and of the personal responsibility of the entrepreneur. The hopes of the West for the contribution of German industry would certainly not be disappointed, and the collaboration between Germany and France under the Schuman Plan would set an example for the whole of Europe. In regard to German trade with the East, the picture did, of course, change later when the Western world in general, including the United States, came to be of the opinion that a revival of East-West trade would lead to a reduction of political tensions.

In July 1951 the Bundestag began its deliberations on the European Coal and Steel Community treaty. At the first reading I opened the debate as speaker for the CDU/CSU, and the pros and cons were discussed fully by both sides. The next day Dr. Adenauer sent me the

following letter: "I feel a particular need to thank you for your excellent and effective presentation yesterday in which you outlined the policy of the CDU/CSU regarding the ratification of the Schuman Plan. The first reading of this law was a great step forward toward the new integration of Europe which is so close to all our hearts."

On January 12, 1952, the treaty was read for the third time and was then accepted by a vote of 252 against 143, with three abstentions. As the first speaker after the chancellor, I again opened the debate. The opposing views of the parties were demonstrated once more: Dr. Adenauer described the plan as the "greatest achievement since the Basic Law of the republic" and a "point of crystallization for Europe," while Ollenhauer, as speaker for the Social Democrats, called it a "cold occupation of the Ruhr." Such a counterargument was surely quite out of place, yet there may have been others that deserved more attention, as is always the case in really important questions. However, a decision had to be made, and straddling the fence was no solution. Churchill once said on such an occasion that a woman is either pregnant or she is not; she cannot be "a little pregnant." And so it was that the federal government and the majority of the Bundestag decided, after careful consideration of the possible gains and losses—a calculation in which the political aspect proved to be decisive—that on the whole the ECSC would unquestionably be a gain for the Federal Republic. The treaty was then ratified by the other five European partners and became effective at the end of July 1952.

The ECSC (to whose subsequent development I shall refer again later) had to overcome a difficult start. During this time, when the coal and steel business was anything but good, Friedrich Flick, a well-known industrialist whom I esteemed highly for his outstanding entrepreneurial qualities, asked me once what I now thought of the ECSC. I said that it had the bad luck of coinciding with a downward trend of the market. Flick replied that my answer seemed to him a curious coincidence because after the Nazi seizure of power in 1933 he had asked Peter Klöckner what he thought of Hitler. Klöckner had replied, "That man is in luck. He is taking over the government at a time when the economy is very bullish."

In addition to the struggle over the Schuman Plan and over an acceptable deconcentration of the basic industries, a third, very vehement, socioeconomic dispute arose at that time. It concerned a proposed law requiring the so-called "extended representation" of

labor on the board of directors of all the basic industries. The law, which was passed on May 21, 1951, did not actually introduce labor representation to the boards of directors and management of the mining and iron and steel industries, but rather legalized a measure already initiated by the British military government. This measure had established the composition of the boards and managements of those companies whose former owners had been deprived of the right of management. A representative of labor was to be a member of each management committee, and the board of directors was to consist of five representatives for the employer, five for the workers, and an eleventh member, the chairman, who was appointed by the trustees nominated by the military government. Representation of labor in the basic industries had thus actually been a reality as early as 1947.

There had already been earlier negotiations between the owners and managers of the coal and steel industry and the leaders of the unions concerning a new relationship between capital and labor. In connection with the British military government's plans for deconcentration of the coal and steel industries, which would affect the very basis of our operations, we had proposed to the unions that in the interests of a politically and economically sound solution, employers and unions present to the trusteeship administration a joint plan for an equitable reorganization of the basic industries. (The intentions of the trustees had become known in the meantime, and management considered them neither economically sound nor justified from an overall point of view.) However, the unions did not accept our proposal but instead supported the plans of the trusteeship administration; these measures, which included codetermination for labor, were eventually realized in the form described above.

No example of such an arrangement existed in the Western countries. Not even the Labour cabinets in Great Britain, then or later, tried to introduce any such plan. In none of the large industrial countries have the unions made similar demands; on the contrary, according to several reports, they have rejected codetermination as alien to the nature of unions. Yet, at a time when the German economy was so deeply unsettled in the wake of the dismantling policy, the British occupation authorities were very eager to favor the unions. Presumably it was an effort to give British policies (generally so deleterious to the German economy) the character of being at least socially rather progressive.

Once the British had introduced codetermination into the coal and

steel industry, the unions considered it an important new gain; and after the formation of the Federal Republic they wished to have it confirmed by special legislation under the slogan that the preservation of social ownership was at stake. In April 1950 the executive committee of the German labor federation published a draft law with this goal in mind. It refused to recognize any of the objections that were raised from a legal and economic point of view. In order to gain its ends, it even proceeded to threaten a strike in January 1951. There was, of course, no dispute between the employers and workers; the intention was simply to bring pressure on the Bundestag and the federal government.

Chancellor Adenauer was of the opinion that a strike must not be allowed to take place. Not only did he regard such a strike as both illegal and unconstitutional, but he was also convinced that such a severe test must be avoided at all costs because of the domestically and internationally still insecure position of our young and structurally shaky republic. Because of the promised support of all other unions, the effect of a coal and steel strike would not be confined to those industries. The interruption of coal production would affect freight transport and consequently the food and fuel supply of the whole population in the middle of winter. The Chancellor, therefore, recommended a special settlement for coal and steel in accordance with the demands of the unions. Even those of us who were not in favor of this settlement agreed that a strike, which would be also a test of strength, had to be avoided at this point. We also could not ignore the fact that the basic industries were still subject to the trusteeship administration and the Ruhr Statute, and so were in no position to cope with the additional burdens entailed in accepting the unions' challenge.

On the suggestion of the Chancellor, meetings were set up between the unions and several expert representatives of management in coal and steel. Apart from Dr. Robert Pferdenges, the men who took part were, for the coal industry, Dr. Heinrich Kost (Rheinpreussen AG) and Adolf Hueck (Gelsenkirchener Bergwerks AG), and for the steel industry, Hermann Wenzel (Vereinigte Stahlwerke AG) and myself. In view of the situation, our meetings did not concern the principal issue of codetermination, which the unions considered a closed matter, but chiefly the working-out of details, particularly those concerning the "eleventh member" of the board of directors and the position of the labor representative in the management of each firm.

During these discussions Hermann Wenzel and I maintained very

close touch with the leading executives in the steel industry, among them W. Zangen and Dr. W. Pohle (Mannesmann), Dr. Hermann Reusch (Gutehoffnungshütte), K. Kaletsch (Flick Group), Dr. Jarres and Dr. Schroeder (Klöckner-Werke), and others. We met with them almost every evening after returning from the negotiations in Bonn, discussing and establishing guidelines for further negotiations and possible compromise solutions. Wenzel and I explicitly and individually consulted all the men I have named and each of the concerns represented, to ascertain whether they agreed with the conduct of the negotiations and with the goals set for a settlement. As the record shows, they invariably agreed with us. Eventually we succeeded in reaching an understanding with the unions within the limits thus established. This agreement formed the basis for the "Guidelines concerning codetermination in the coal and steel producing industries" which were published as an annex to the law. The guidelines also contained the agreement with the union representatives that this qualified codetermination was not to be extended to other industries. The federal government thereupon submitted to the Bundestag a draft law that was enacted on May 21, 1951.

Codetermination in the West German basic industries is, therefore, a legacy from the time of the British military government. It hardly fitted into the framework of German corporate law, but it could not be reversed or replaced by another arrangement. Both the corporations and the unions have in the meantime had a chance to become accustomed to it and to learn from it—the unions, for example, had to realize that even their participation in the management of enterprises could not prevent a decline in employment under economic conditions such as were experienced in the 1960s in the coal industry and later in the steel industry.

It should not be overlooked that companies in every branch of industry have been able to absorb a steep rise in wages, a drastic reduction in working hours, and the granting of various other labor benefits because of the very satisfactory business conditions that lasted until 1965—the often cited "economic miracle." For many years, therefore, there was hardly any reason for serious disputes, let alone socioeconomic tensions. During this period repeated attempts were made to investigate the effect of codetermination, partly in an attempt to show that it was a milestone in economic and social progress and an institution furthering the healthy productive capacity of the companies themselves. However, in the following years when first the coal industry and later

(although not to the same degree) the steel industry encountered difficulties because of a drop in sales, the limited effectiveness of codetermination became evident. It proved to be of no use whatever when, soon after an upward trend in sales, the workers of several German iron works went out in a wildcat strike in the fall of 1969, using very questionable tactics in some instances and forcing considerable wage increases while the legal contracts were still in effect. Although the unions by no means endorsed these strikes, they were unable to prevent them. Despite the much-vaunted codetermination, they proved to be powerless.

Demands for extending codetermination to other branches of industry did not fail to arise. As early as 1952 this led to new and vehement disputes when the works council bill came up for debate in the Bundestag. This law, too, which was enacted in the summer of 1952, granted labor considerable rights of participation in management, although not as extensive as those in the coal and steel industry. Recently the German federation of labor sought to extend the qualified codetermination rights existing in the coal and steel industries to other branches of industry. Such a step would bring about a significant shift in the relationship between labor and capital and, in turn, in their relationship to the state. The power and the control exercised by the unions would increase even further, and both the existing more or less even balance of power and the free enterprise system would be seriously disturbed.

The true regulators of a free economy are and always will be competition and prices in an open market, with the state having the responsibility of guarding the interests of society as a whole. Hardly anyone would argue that the existing legal measures are insufficient, even considered apart from the often considerable voluntary expenditures for social welfare benefits provided by the employers. It is not the inadequacy of the laws that presents a danger for millions of workers but the possibility that after the tremendous upward trend that followed the war, the German economy may also one day suffer a lasting recession. Only a sound public fiscal policy will enable well-managed enterprises to ensure the continuous economic welfare of all.

Looking back on the record of the Federal Republic in the field of social welfare, what first comes to mind are its expenditures for such items as the compensation for loss of property resulting from the war (equalization of burdens), or the tremendous amounts made available for the increase in social insurance benefits, pension payments, and

financial aid to the needy. They are doubtless a great achievement. But far more important is a development taking place in the Federal Republic, or for which at least the ground has been laid, the noblest goal of any social policy: the continuing removal of social inequalities, today called "social integration."

These results would never have been achieved if the open market economy boldly introduced and resolutely followed by the CDU/CSU and the resulting prosperity of the fifties and the first half of the sixties had not laid the foundation for the material improvement of the lives of the whole population. It was the open market economy that led to a reduction in class differences and gave the masses the feeling that they are not fundamentally disadvantaged in their desire for education and a better life. Although the financial resources of one's parents are still a factor in advancing a person's career, this is far less true today than formerly, thanks to public measures for training and education and an extensive system of scholarships. It certainly would be incorrect to call ours a welfare society, because many of our citizens still live in want and in need of aid, but progress is nonetheless clearly evident.

In the course of history a number of goals have been envisaged for the reordering of society, varying from the Communists' brutal removal of the former ruling group, which was to have led to the rule of the workers and peasants, to Ludwig Erhard's *formierte Gesellschaft* ("structured society"), an idea that has remained very nebulous to most ordinary citizens, among them myself. At any rate, one of the main goals of any policy must be the provision of means by which social tensions, which can never be completely eradicated, can be harmoniously resolved or at least mitigated.

The task to conquer what divides us and to encourage what unites us has been an urgent task in Germany ever since the First World War. To me, at least, it seemed to be one of the most important problems confronting the Weimar Republic. For many reasons it could not be solved then. Our Federal Republic is, therefore, all the more entitled to be proud of its achievements in this respect.

May 26, 1952, was the date of an important political development. On this day the four agreements commonly called the Bonn Conventions were signed in Bonn, defining the relationship between the German Federal Republic and the three Western powers. One day later the treaty creating the European Defense Community was signed in Paris. The Paris agreement was to link the six members of the European Coal



and Steel Community (ECSC) in a supranational association for their defense under a joint supreme command. This treaty, usually called the EDC Treaty, never became effective, however, because the French parliament in 1954 refused to ratify it. But in 1952 the debate concerning the Bonn Conventions and the EDC Treaty dominated the political scene in Germany. The CDU/CSU, as was to be expected, strongly backed the federal government's acceptance of these treaties, while the Socialist opposition, as usual, hastened to take the opposite position.

I took a very active part in this great debate both in and out of parliament. Like many others I was by no means happy about several details in the new treaties, but I nonetheless strongly supported their acceptance because they seemed necessary in the total political context. The second and third reading of the proposed Conventions in the Bundestag and the debate on their adoption began on December 3, 1952, and continued for the following three days. Chancellor Adenauer, in an impressive speech, supported the treaties while the opposition sharply rejected them. As the first speaker of the government coalition, I opened the debate, recalling Benjamin Franklin's warning in 1787 that there was only one solution for Europe—to appoint immediately a constitutional assembly that would create a European federal union. Insofar as the European Defense Community was concerned, we labored in vain because, as already mentioned, the French parliament rejected the treaty. But the four Conventions, with a number of amendments, were later incorporated in the treaties that terminated the occupation regime, becoming the basis on which we regained our sovereignty.

The Bundestag appointed several members, including me, as delegates to the parliamentary body of the ECSC, called the Common Assembly. We had, of course, been selected strictly according to party representation. I participated regularly in the sessions of this assembly in Strasbourg and also attended many of the deliberations of the High Authority in Luxembourg. The functions of the assembly were broadened when it was instructed to draft a statute for a European Political Community. For this purpose the assembly constituted itself under the curious name "ad hoc Assembly." Attendance at the ECSC parliament in Strasbourg enabled me to enlarge considerably my circle of acquaintances among European politicians, among whom I want to mention here the Frenchmen Pierre-Henri Teitgen and Paul Reynaud,

the Belgian Paul Henri Spaak, Foreign Minister Johan Willem Beyen of the Netherlands, and, of course, Jean Monnet.

The ad hoc Assembly was presided over by Paul Henri Spaak, and some of its members were appointed to a working committee under the chairmanship of Heinrich von Brentano. It received its instructions at a time when the Soviet Union had once again created an atmosphere of international crisis and the Western nations had moved closer together. The draft statute was completed and approved by the ad hoc Assembly on March 10, 1953. However, the very cool reception that it was given by French Foreign Minister Georges Bidault, the chairman of the Ministerial Committee of the Council of Europe, made it obvious that France, at least, was not yet ready for such a far-reaching integration of Europe. At the time she was still struggling to maintain her colonial empire in Africa and southeast Asia; at the same time, Great Britain, because of her Commonwealth ties, refrained from entering into a closer relationship with continental Europe.

Moreover, the chief impetus for integration, the fear of Communist expansion, had temporarily lost its force because the Soviet Union had become less aggressive during the several months that the committee was working on the draft plan. In the course of the last twenty years, such changes in attitude toward the need for European integration have occurred again and again in response to the increase or decrease in East-West tensions. It was enough for the barometer of the cold war to move from "stormy" to "variable" for the Western countries to show a reluctance for working together and a preference for crawling back into their national shells. For myself, I did my best to work against this trend and to promote the idea of an integration of free Europe by participating in the organizations that furthered it and by advocating it publicly whenever the opportunity was given. We can only hope that the efforts to create a European political union, of whatever form, may still be successful so that history will not have to record that in the 1950s and 1960s a great opportunity was wasted. As all efforts to bring about a European political union have so far failed, it becomes more and more evident how little free Europe counts in international affairs. In the crisis between Israel and the Arab nations that erupted into the open in 1967, only two powers, apart from the countries immediately involved, were of consequence: the United States and the Soviet Union. During the Cuban crisis of 1962, too, only these two superpowers really mattered. They will undoubtedly retain the monopoly of decid-

ing the important questions in international politics as long as the nations of western, central, and southern Europe remain divided.

The actual father of the European Coal and Steel Community was, of course, Jean Monnet, the man who did so much for the idea of a united Europe and who then became the first president of the ECSC High Authority in Luxembourg. I have often had the pleasure of meeting him. When the High Authority was being established, Franz Etzel, later the German Federal Minister of Finance, was to be the German representative and the authority's deputy president. As Monnet had not yet met him, an unofficial meeting was planned. For this purpose a weekend stay in our hunting lodge in the Westerwald was arranged. Professor Hallstein, who was at that time the undersecretary of the Foreign Ministry in Bonn, was also one of the guests.

The lodge proved to be eminently suited for such a meeting, for its simple, informal style precluded any kind of formal conversation. Soon all of us were on friendly terms. As the day was murderously hot, we quickly discarded our coats. Only Monnet, despite our urging, would not part with his. Eventually, however, he too could no longer stand the heat, and when he took off his coat the reason for his hesitation became visible—a pair of old-fashioned black suspenders. The next morning he appeared without jacket—and with suspenders—from the start. Because of their informality these conversations were particularly fruitful and laid the foundation for the subsequent excellent relationship between Monnet and Etzel. At that time Monnet wrote in our guest book at the lodge: “En marche vers l'Europe nous nous sommes arrêtés dans ce lieu de paix et y avons pris des forces nouvelles.”

A little later Professor Hallstein sent me the following letter: “It gives me much pleasure to present you personally with the enclosed special printing of the treaty creating the European Coal and Steel Community. It is one of a limited number of copies issued by the French planning office; the typesetting is French, the printer's ink German, the paper Dutch, and the material for the cover has been contributed by Italy, Belgium, and Luxembourg. M. Monnet asked me to send you this document as a symbol of his appreciation of your contribution to the realization of the Schuman Plan.”

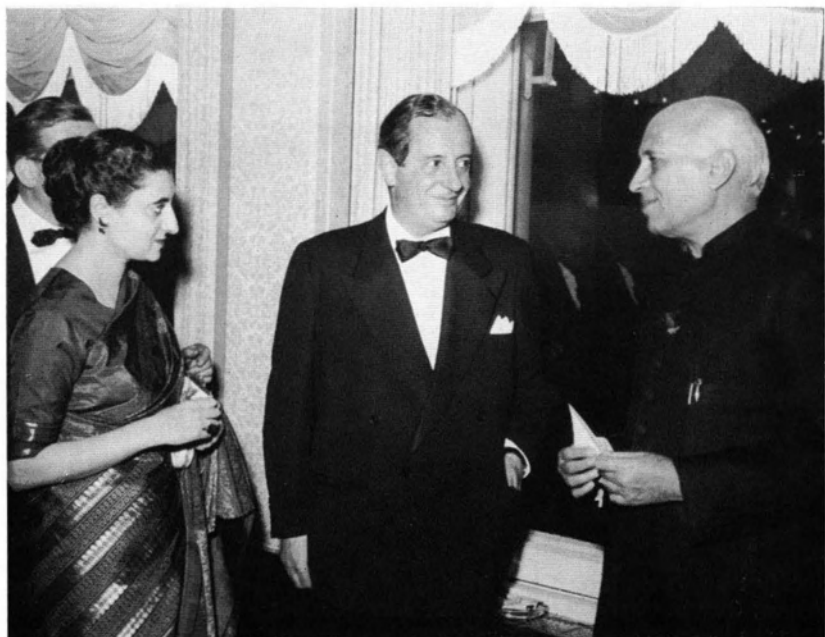
The regular sessions of the Strasbourg parliament of the ECSC established increasingly close ties between the participants from the various countries, ties that soon went far beyond the official issues to be debated. From the very beginning groupings emerged based not on

national origin but on political affinities—the Christian Democratic representatives of all six countries forming one group, the Socialists another, and the Liberals a third. Beyond that, relationships of the most varied kind developed also with those members of the Council of Europe who did not already belong to the parliament of the ECSC. For us Germans this was not an everyday occurrence (as it became in later years), and it gave us a welcome opportunity to engage in mutually helpful discussions on a high level unhindered by national boundaries.

The following little incident occurred at a session in Strasbourg: I was talking with one of the representatives of another country about the increasingly urgent issue of the rearmament of the German Federal Republic and mentioned that we had great difficulties persuading our people to join the military again; the Germans had had enough of it. My partner replied: “And it probably suits you perfectly!”

The Council of Europe had been set up as early as 1949, at first without German participation. In the spring of 1950 the Federal Republic was invited to join, but in a rather unfortunate manner, since at the same time a separate invitation had been extended to the Saar. A temporary solution was found by making both associate members at first. In 1951 the Federal Republic became a full member, while the Saar continued as an associate until it rejoined the Federal Republic on January 1, 1957. Because of the difficulties arising in connection with the Saar question and some other considerations, even the CDU/CSU parliamentary group in Bonn debated at first the question of whether to accept the invitation to join the Council of Europe.

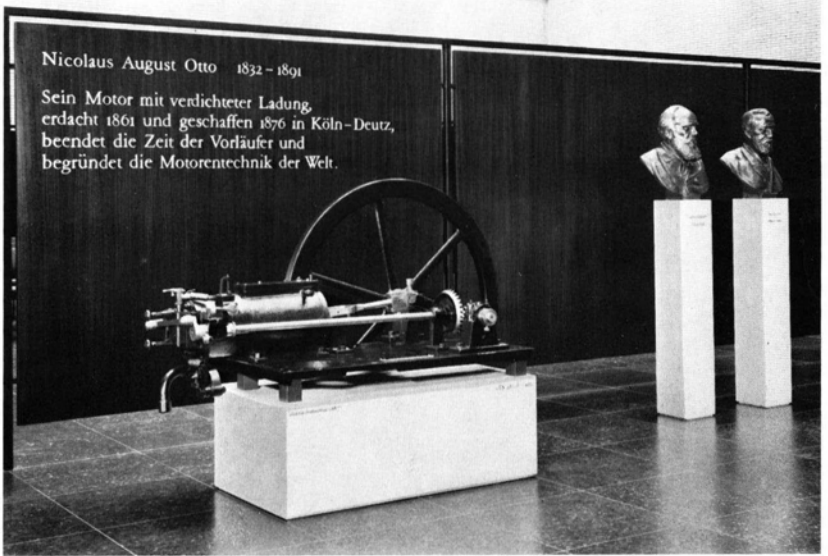
Together with some like-minded friends I did my best to counter these doubts. In a session of the CDU/CSU caucus of May 13, 1950, I pointed out that Strasbourg offered an opportunity to present our point of view to the world in a quite different manner than had been possible so far and that our membership could be the means of breaching the wall of mistrust surrounding us. In Strasbourg, German politicians would be able to have frank talks with such men as Churchill, Spaak, Bidault, Schuman, Reynaud, Sforza and others—opportunities that were otherwise not available to us so long as our few representatives abroad were confined to consular functions. I also argued that we would be in step with the rest of Europe if we showed our youth—who had become so confused by each new issue—that the task of creating a united Europe was *the* positive goal of our era. We would achieve nothing by declining this invitation. I also countered the argument



The author with Nehru and his daughter, the present Prime Minister of India, Indira Gandhi

Federal Chancellor Dr. Adenauer, Frau Anne Liese Henle, the author





The first four-cycle engine of three horsepower produced in 1876 by Nikolaus August Otto at what is now the Klöckner-Humboldt-Deutz AG, Cologne. To the right the busts of the works' founders, Eugen Langen (left) and Nikolaus A. Otto.

The offices of the Klöckner-Humboldt-Deutz AG at Cologne





Reactor vessel for a nuclear power plant near Hamburg, supplied by the Klöckner-Werke for Siemens



A painter at his easel, by Gerrit Dou, about 1630 (Henle Collection)



that if the Federal Republic entered into a closer relationship with the West the Soviet occupation zone would be completely and finally absorbed into the Eastern bloc. I said that this process was already under way and that Moscow would only use our refusal to join the West as an opportunity for further expansion. To attempt to exorcise the dangers threatening the German people from the East with a policy of timidity was to admit defeat before the battle had begun. We would bring about the very situation that we wanted to avoid.

These opinions on the subject of a united Europe were at that time still being hotly debated and had by no means gained universal acceptance. However, even in retrospect, they still seem valid to me. From a purely practical standpoint, membership in the Council of Europe would have only modest results, as this assembly is not a legislature and its decisions are only recommendations. Its meetings, therefore, receive relatively little notice in the international press. Its value lies, and always has lain, in the fact that the nations of free Europe have created for themselves an institution that keeps alive a sense of their common interests.

The first Bundestag and the government it elected were rich in interesting and colorful personalities. Before concluding this section I want to devote a few pages to some of them.

Foremost, of course, was Konrad Adenauer. During the last years of his stewardship, in particular, he was generally regarded as an old, self-willed autocrat, the father of the famous "decisions made in solitude," the sober political calculator who, come what may, maintained whatever position he had once adopted. Much of this may be true. However, behind all this there nevertheless was a man, a genuine Rhinelander with a nimble mind and a sense of humor, with strengths and weaknesses, a man certainly not free of prejudices nor of a proclivity for intrigue that he did not always keep in check. But all this was more than made up for by his great genius for government and administration and by his strong conviction that he had to show himself worthy of the historical mission that had fallen to his lot (and that, admittedly, he had also sought vigorously). He was more than a chief of state—he was a true statesman. In view of his extraordinary qualifications, the British military authorities committed a truly tragicomic *faux pas* when in 1945, after recalling him to his old post as mayor of Cologne, they promptly removed him with the justification that he was "incompetent." Today, whether we are German or British,

we cannot help but smile when we recall that incident. I always regarded it as fortunate that the fates gave us this man who for so many years steered our political affairs.

A statesman is judged by the results of his labors. Whether he is a success or a failure is usually apparent to everyone while he is still alive, but only a small number of people are in a position to see him actually at work. I was able to observe Dr. Adenauer from close range at the many caucus meetings and committee sessions I attended where he presented his views or where he took part in the discussion. On such occasions he would give us insights into his political calculations to an extent that would be impossible in his public speeches, where he was more concerned with the overall effect. His arguments, presented with great sobriety, were usually very convincing. He himself has given in his memoirs\* a detailed report of his work as a statesman, and I shall only add a few anecdotes, characteristic of him as a man and of his way of dealing with people.

Once he said to Dr. Pferdmenges' wife, "Your husband is really getting old. He is refusing to run for another election to the Bundestag." Joining in, Pferdmenges, who was nearing eighty, replied: "It is all very well for you to talk. You'll be entering into history, but history is doing me in."

I, too, aroused the Chancellor's displeasure when I declined to become a candidate for the second Bundestag. His first letter, in which he still hoped to persuade me, began: "My dear Mr. Henle," and ended "With best wishes also to your wife, your very devoted . . ." But when I confirmed my refusal the tone of his letter was much cooler! He was quite unable to understand that in the long run it is not possible to combine a leading position in industry with the duties of a Bundestag member, both posts requiring all one's energies. After he had overcome his annoyance, he wrote me a friendly letter when my term of parliamentary service came to an end: "I have noted with much regret that our party will have to do without you as a candidate for reelection. You know how much I would have valued your help particularly in the next Bundestag. However, at this time I feel the need to thank you for the work you have done in the past four years and all the valuable services you have rendered to the CDU and the federal government. I hope that in future, too, you will allow us to avail ourselves of your expert advice."

\*Konrad Adenauer, *Memoirs 1945-53* (Chicago: Henry Regnery Co., 1966).

When Adenauer wrote me this letter, I had actually done political yeoman service for six consecutive years, first in Frankfurt and then in Bonn, under increasingly burdensome conditions as far as my work in industry was concerned. But such arguments carried no weight with him. Whenever we met again later he gently reprimanded me for having deserted politics and accused me of having done it only for the sake of filthy lucre. My explanation that this was not so always seemed to convince him at the time, but did not prevent him from repeating the same remark the next time it suited him. Once I told him that I would gladly show him my income tax return to prove that, whether I was in or out of politics, there had been no change in my financial position since I had remained a partner of Klöckner and Co. the whole time. Politics had only cost me time, not money! But I made no headway with him. He could be, if he wished, overwhelmingly illogical.

Adenauer asked me several times to accept an ambassadorial post in this or that country. When this came up for discussion once again in 1955, Pferdenges told him that, as before, I would refuse. Adenauer answered, "Oh, money, money, money!" He simply could not understand how one could find anything else as interesting as politics. It was not that an important ambassadorial post did not have its attraction for me after my earlier diplomatic career, but that my diplomatic experience had also taught me how narrow are the limits within which an ambassador can today maneuver politically. When I once told Dr. Jarres of having been offered such a post, he said he could well understand that I did not want to become one of "Adenauer's billiard balls." While this very apt comparison (Dr. Jarres had a great and inexhaustible gift for language) did not completely reflect my thinking, it did express a wish to maintain my complete independence that was indeed a crucial factor in my decision. One day Adenauer said to my wife, "People say I lie. But to lie would be much too strenuous. One would always have to remember all one's lies so that one would not contradict oneself."

In the course of a dinner attended by the Lutheran Bishop Dr. Hanns Lilje, Adenauer told the following story: The Pope had asked him whom he considered the best bishop in Germany. Adenauer had tried to avoid a clear-cut answer. The Pope had pressed him but when Adenauer still refused to commit himself, the Pope had said that in his opinion it was Bishop Lilje. In an improvised little speech, Lilje remarked that he was most impressed by the papal observation and

could now believe in the doctrine of papal infallibility. Some time later, Adenauer said that he had related this story to the Pope, who had remarked that in that case Lilje should be called to Rome so there would be at least *one* bishop who accepted papal infallibility.

Churchill is said to have told Adenauer, "You are the greatest German statesman since Bismarck." And Adenauer replied, "Sir Winston, that isn't saying much."

Pferdmenges told me that the Federal Minister of Finance, Fritz Schäffer, was prevented by illness from participating in the final debate on the tax reform bill of 1954, which the Bundestag had managed with great effort to amend slightly in the face of Schäffer's vehement opposition. When the debate dragged on interminably, Adenauer, who was sitting in the chamber in the expectation that the bill would be put to the vote, said impatiently, "Let's get on with it, or Schäffer will get well again!"

The world could not but admire the vigor and energy Adenauer displayed after his retirement as chancellor, which remained undiminished until his last days. The story goes that on his ninetieth birthday he remarked, "Oh, to be eighty again!"

Adenauer's chief adversaries in the Bundestag were, of course, the spokesmen of the Socialist party (SPD), particularly their chairman Kurt Schumacher, who died, however, in 1952. Although Schumacher had been seriously wounded in the First World War, losing his right arm, the Nazis had kept him confined in concentration camps for more than a decade. However, this ordeal did not lessen his passion for politics nor his determination to gain control of the government or to have at least a decisive influence on it. Despite his often stormy temper, he was greatly respected for the tremendous personal energy with which he espoused his cause. As a politician he succumbed to the temptation, to which every leader of an opposition party is exposed, of almost invariably adopting a position diametrically opposed to that of the government. While he vigorously opposed the Communists, he criticized the government for having opted too unequivocally for the West. And in the heat of verbal duels in the Bundestag sessions he sometimes exceeded the limits of what is permissible and tolerable even on the political battlefield.

His successor as party chairman was Erich Ollenhauer, who died in 1963. This decent, somewhat homespun man presented a strange contrast to the hot-headed Schumacher. It is probably due to Ollenhauer and his associates in the party leadership, particularly Fritz Erler, a

man of shrewd and considered judgment, that in the course of the past ten years the SPD has changed from a party of automatic nay-sayers to what it is today.

As a result of this development, the SPD has now gained sufficient strength to be a serious challenger to the CDU/CSU in the struggle for power. Naturally this change has not come about without friction, and today an important number of SPD members still find it difficult to free themselves of their traditional preconceptions. In the course of time the leadership of the SPD has drawn so near to the political fundamentals of the CDU/CSU (whose goals are, after all, as socially and democratically oriented as those of the Social Democrats) that it cannot really offer genuine alternatives in either domestic or foreign policy. If, nevertheless, the SPD has gained in popularity during the past few years, the reason may be not so much its own merits as the shortcomings of the federal government, particularly the failure of government fiscal policy during the period preceding the Great Coalition (Grosse Koalition) that came into being at the end of 1966.

Fritz Erler was undoubtedly one of the ablest men in the Social Democratic party. His experience in public administration, which immediately after the war led to his appointment to the post of district president (*Landrat*), had so sharpened his eye for the problems of government that he became one of the foremost experts in the fields of military and foreign policy. Until his death he and I worked closely and harmoniously together in the German Society for Foreign Affairs in Bonn, founded in 1955, of which Erler was vice-president. It was a bitter loss for the SPD and beyond that for the whole Federal Republic that, already fatally ill, Fritz Erler was no longer available for a cabinet post when the Great Coalition government was formed; his suitability for high office was unquestioned. His death in February 1967 came as a great shock to everyone who had known him at all closely.

Another of the great warriors of the SPD is Professor Carlo Schmid, whose size and striking appearance alone would prevent him from being overlooked. As the first vice-president of the Bundestag, he was able to cope with any problems that arose. He is an unusually gifted speaker; his great learning and his graceful rhetoric make him a pleasure to listen to. Schmid, who was born in Perpignan, France, excelled as a translator of Charles Baudelaire and Edmond Rostand; he was especially interested in building a new relationship between Germany and France and did everything in his power to help Frenchmen and Germans overcome their ancient enmity. It is not surprising

that, as the son of a French mother, he is thoroughly conversant with the secrets of good cooking. He once told my wife that his mother had insisted that he become acquainted with the art of cooking so that his future wife should not suffer the fate of most German women, whose husbands demand excellent meals but don't have the slightest notion of what their production entails. (An example German mothers might well follow!) Carlo Schmid also possesses a ready sense of humor. The story is told (or he tells it himself) that one day he went to call for his daughter at her boarding school and while he was waiting for her in the hall, one of the teachers asked him, "Are you expecting a child?" Schmid promptly replied, "No, I always look like this."

After I had left the Bundestag, Carlo Schmid was succeeded as chairman of the Bundestag Committee for Foreign Affairs by CDU member Kurt Georg Kiesinger, who later became chancellor. Even in the first Bundestag Kiesinger had shown himself to be an excellent speaker and a man of unusual political gifts who also possessed a clear, balanced and astute judgment.

In October 1950 the first Bundestag had the good fortune of having Hermann Ehlers as its president. His conduct of this office was exemplary and he set the tone in which it has been conducted ever since. Unfortunately he died unexpectedly in 1954, a great loss for the Federal Republic and a bitter disappointment to many who had pinned their hopes on his continued service. Ehlers was not only an engaging and conciliatory personality, but also a gifted and clear-sighted politician and an able speaker. The leadership crisis that subsequently developed in the CDU/CSU might not have occurred if Ehlers had remained alive.

Eugen Gerstenmaier succeeded Ehlers. He and Ehlers both had previously been active in Evangelical church affairs and after the war had been leaders in the Evangelical Relief Organization before they were elected to the Bundestag. Gerstenmaier was ambitious enough to want to establish his own political line, and in due course became an advocate of the idea of the Great Coalition (preferably, to be sure, with himself as chancellor). On foreign policy matters he tended to be opinionated rather than convincing in his public utterances. Compared with Ehlers he had an easier task as president of the Bundestag because there had been more parties in the first Bundestag, and therefore more conflicting views, than in later years. After Gerstenmaier's resignation the CDU politician Kai-Uwe von Hassel succeeded him at the beginning of 1969 as president of the Bundestag. He had previously been

minister-president of Schleswig-Holstein and since 1963 had been a member of the federal cabinet as Minister of Defense.

A highly unorthodox character among the Bundestag members was the Communist Heinz Renner, a native of the lovely Moselle valley. His fanaticism was tempered by an inborn sense of humor. Dr. Adenauer often enjoyed engaging in verbal duels with him, in which they both lapsed into their native Rhenish dialect. Renner left the Bundestag after the elections of 1953 when the Communists polled less than five per cent of the vote and were therefore not entitled to representation. In 1956 the Federal Constitutional Court declared the Communist party to be unconstitutional and hence illegal.

Opinions differed and still differ whether an issue essentially so political can rightly be decided upon by a court. As for myself, I remember vividly Hitler's release from the prison fortress of Landsberg in December 1924, after which he immediately resumed his demagogic political activities. My father, at that time still governor (*Regierungspräsident*) in Würzburg, often told me how in meetings with the Bavarian cabinet he had again and again told the Bavarian ministers that he considered Hitler's conduct dangerous and that his continued political activities should not be permitted. The ministers, however, always maintained that there was no need to worry, that they had matters well in hand. The situation in the Federal Republic has been settled in the meantime, since a new Communist party was permitted in 1969; it has not, however, so far been successful at the polls. The prohibition of political parties may make some sense if it prevents large sections of the electorate from voting for radical extremists as they did just before 1933. However, the only purpose of outlawing a party is to keep party political activities within the framework of the constitution. In no circumstances must it be used to ensure a monopoly for the existing parties. To date in the Federal Republic, however, it is not the new Communist party, but the newly founded, nationalistically oriented National Democratic party of Germany (NPD) that has become a catch-all for dissatisfied voters. But in the Bundestag elections of 1969 the NPD polled less than five per cent of the votes, contrary to the expectations of many observers (particularly those in other countries), and therefore is not represented in the sixth German Bundestag.

The fact that the Federal Constitutional Court was asked to deal with this question accorded with the Basic Law, which assigns to this court the responsibility of determining whether or not a party is con-

stitutional. However, this provision of the Basic Law reflects a tendency that has become increasingly apparent in the political life of the Federal Republic—namely, passing on practical decisions about important political or economic issues to legal or scientific institutions that are by nature nonpolitical or at least outside the political or economic sphere. It is doubtful whether this procedure is always fruitful. In economic affairs, for instance, professors of economics are asked for advice whenever things are not going as well as someone thinks they should. The economists now predominate in the committee recently called together to formulate an annual forecast of market trends for the federal government.

Most of my political and personal friends were, of course, members of the CDU/CSU caucus in the Bundestag. It was, after all, not only Adenauer's word that counted in the party. Throughout Adenauer's tenure as chancellor, Professor Ludwig Erhard was his Minister of Economics; Erhard later became Adenauer's successor not because, it must be admitted, but rather in spite of the former chancellor. To say this, however, does not tell the whole story. Erhard did truly owe his elevation to the chancellorship largely to Adenauer who, though vehemently opposed to Erhard's nomination, at the same time prevented the "build-up" of any other man's candidacy or at least did not contribute to it. It was, therefore, inevitable that in the final race Erhard had no competition. Many Bundestag members must also have been influenced by the fact that next to Adenauer no one was as popular as Erhard. Both men found cooperation difficult. Adenauer had little use for Erhard's academic approach, and Erhard, in turn, found Adenauer's propensity for political manipulation entirely incomprehensible. There is no avoiding the fact the two men were radically different.

When Erhard became Chancellor in 1963 he had to work under the cloud of an increasingly unpropitious situation in foreign affairs. Because of the increasingly intense conflicts between Paris and Washington on many questions, several balls had to be kept in the air at the same time, a skill that is not in everyone's line. Progress toward a genuine European integration was also increasingly beset with obstacles and basic objections, and hopes for the reunification of Germany were in no better shape. Under these circumstances, anyone succeeding Adenauer was bound to find it difficult to score successes in foreign



affairs. In addition, in his second year as Chancellor, Erhard had to run for reelection; however, he emerged from this ordeal surprisingly successfully. Yet all in all, the office of chancellor, which Erhard had desired so fervently, proved to be a difficult inheritance because of its exceptionally heavy demands on a man's powers to act and to make decisions. The following winter, good fortune finally forsook Erhard, when the economic boom that had contributed so much to Adenauer's popularity and had enhanced Erhard's own stature as Minister of Economics took a downward trend.

During Erhard's tenure as Minister of Economics, Franz Etzel had been chairman of the Committee on Economics in the first Bundestag. A native of the Lower Rhine country, this somewhat ponderous man had been passionately interested in politics since his youth. He joined the CDU immediately after the end of the Second World War, and his extensive knowledge of economics and finance quickly made him an especially valuable member of the party. I have already mentioned that he was the first vice-president of the High Authority of the European Coal and Steel Community in Luxembourg. He returned from this post in 1957 to serve for one legislative period as Minister of Finance in Bonn, having acquired a greater ease of manner in the international atmosphere of Luxembourg. Thanks to the important posts he has held, Etzel became one of the men who helped build our Federal Republic. The successful reconstruction of the economy and its integration into the framework of Europe would not have been possible without him.

Among the more noteworthy members of our party caucus were Heinrich von Brentano and Gerhard Schröder, both of whom subsequently held the post of Foreign Minister. Until he became Foreign Minister in 1955, Brentano was chairman of the CDU/CSU caucus, navigating it skilfully, though perhaps not always firmly, through the Scylla and Charybdis of party politics. As a member of the Council of Europe since 1950, he became very active in foreign affairs. It is to no small extent due to his work as chairman of the "ad hoc Assembly" in Strasbourg that the draft statute for a European political community was completed and passed by that assembly. During his six years as Foreign Minister, German foreign policy of necessity bore the stamp of Adenauer's personality, but Brentano's work was, nevertheless, of great value; only under his leadership did the German diplomatic service begin to function again in a normal way. A difficult task fell to

him later when he resumed the chairmanship of the party caucus and had to prepare the political stage for the change in the chancellorship. Unfortunately, Brentano's serious illness and early death in 1964 ended the political career of this estimable and engaging man.

Like Brentano, Gerhard Schröder was not a diplomat but a lawyer by profession, distinguished by a keen intelligence and the ability to speak on even the most difficult questions clearly and without notes. Starting in 1953, he served for eight years as Minister of Home Affairs, an office that does not generally bring much honor to its holder. Nor was his lot as Foreign Minister an easy one. If Brentano had a difficult time under Adenauer, Schröder had to cope both with Adenauer's last years in office and with the changeover to Erhard, only to see himself accused of abandoning Adenauer's wise foreign policy. His problems increased even further when he was caught in the cross fire of the opposing American and French conceptions of the structure and policies of the Western alliance. He managed to weather all these difficulties; he made, so to speak, the best of them and with his inborn skill practiced "the art of the possible," Bismarck's phrase for the essence of foreign policy. An outsider can hardly appreciate how much understanding, foresight, and personal courage are needed to safeguard the interests of the Federal Republic and see to it that developments do not simply pass it by during such a turbulent period in international relations as the one today. Gerhard Schröder undoubtedly possessed those qualities, and it is particularly regrettable that in Paris he gained the reputation, certainly undeserved, of following an anti-French line.

One of the leading members of the CDU/CSU caucus in the first Bundestag was Franz Josef Strauss, a native of Munich. He was one of the youngest members of the Frankfurt Economic Council and since then I have been in frequent contact with him. His great political talents were immediately obvious: he had the ability to make a quick assessment of every problem, to arrive promptly at a decision, and to act without hesitation. As Minister of Finance he held one of the most important cabinet posts in the Great Coalition, a post that it took considerable courage and a great sense of responsibility to accept at all, considering the times. His manifold experiences over the years have further enhanced and mellowed his judgment. He is a dynamic man with a tremendous capacity for work and succeeded in putting the federal finances in order again, at least for the time being. The rapidity with which he managed to get acquainted with the extensive problems of his ministry was impressive.

I had a particularly close relationship in the first Bundestag, as well as before and afterwards, with Robert Pferdmeniges. He was, after all, one of the men who had maintained close contacts with the house of Klöckner for many years and had been a friend to Peter Klöckner as well as to me. He had become a member of the board of directors of the Klöckner-Werke AG in 1931. That same year he also became a partner in the banking house of Sal. Oppenheim, Jr. and Cie in Cologne. He remained on the board of directors of the Klöckner-Werke until they were broken up in their old form by the Allied deconcentration decree. After that he joined the board of directors of the Klöckner-Humboldt-Deutz AG in Cologne, remaining a member until his death in 1962. I have already mentioned how much of the reconstruction of the Ruhr industries after the collapse of 1945 was due to the unceasing efforts of such men as Pferdmeniges and Karl Jarres.

Pferdmeniges did not actively engage in politics until after the Second World War, first as member of the Frankfurt Economic Council and then as member of the Bundestag. Before going into politics, a step he took to please his friend Konrad Adenauer, he had been widely known for many years as a banker and an expert in industrial affairs. In parliament itself he was little in the limelight; he set no great store by long speeches but preferred to use his judgment and his influence in smaller groups. This predilection, and his well-known personal friendship with Adenauer, who valued him highly as an astute adviser, led to his acquiring the reputation of an *eminence grise*. Under such circumstances the public was hardly able to gain a clear picture of his character.

Those of us who knew Pferdmeniges more intimately appreciated him not only for his wide experience and knowledge but also for his outstanding personal qualities. On the one hand, he was a very upright man with a great sense of responsibility both in his private and in his professional life, while on the other he possessed an understanding, compassion, and a readiness to help paired with a joy in living and a genuine Rhenish sense of humor. He was a great friend of the arts and loved the pleasures of a cultivated social life.

He had superior ability in evaluating industrial problems, and his judgment was always to the point. He could recognize the essential issues in a situation as well as the problems involved. Any conversation with him about current industrial affairs, whether of a general nature or pertaining to one's own concerns, was always stimulating and enriching. His advice was most valuable when it came to dealing with

people; he expressed his opinions frankly but helpfully. Only too frequently, Robert Pferdmenges was called upon whenever difficulties involving personalities arose in the political arena, particularly when it was necessary to reconcile conflicting opinions. Pferdmenges seldom went astray in his judgment of men; to him character counted as much as professional qualifications. That Adenauer again and again called on Pferdmenges as adviser was particularly helpful when it was a question of filling positions in government. Some have criticized Adenauer for listening too assiduously to him, yet I believe it is better for the banker to counsel the statesman than the reverse. Pferdmenges once characterized the customary prejudice against bankers with the classical formula: "If you have money, people immediately think you've stolen it."

Many anecdotes are associated with the name of Robert Pferdmenges. Those who heard it vouch for the truth of the following story, which still makes the rounds in Bonn: At a cabinet meeting that Dr. Pferdmenges attended, he sat next to Chancellor Adenauer, whose opinion of Economics Minister Erhard was then at one of its periodic lows. Adenauer asked Pferdmenges whether he would entrust his money to Erhard, who was just making a long speech. Pferdmenges replied: "No, but I wouldn't entrust it to you either!"

Pferdmenges also was fond of mentioning that Friedrich Engels, the closest friend and confidant of Karl Marx, was his uncle by marriage. Whenever somebody in his family kicked over the bourgeois traces, everyone would say, "You'll soon be like Uncle Friedrich!"

Of the anecdotes that Robert Pferdmenges "bequeathed" to me, I shall relate just one, not only because I think it is worth recording, but also because he especially enjoyed it. The story concerns the Cologne banker, Louis Hagen, who some decades ago enjoyed a great reputation as a leading financial expert.

One day Hagen was elected to the board of directors of IG-Farben, an exclusive club run autocratically by a few people, especially by the chairman of the board and the executive committee. The meetings were intentionally kept short, and the members would listen devoutly, not uttering a word. When Louis Hagen attended for the first time, he asked to speak after the business of the day had been dealt with. Frowning, the IG potentate granted him permission. Hagen asked, "May I ask when the next board meeting is to take place?" The question was quickly answered, but while the matadors of the IG withdrew,

one of the insiders said, "That seems to be a real big mouth we've elected to the board."

I have already mentioned that I found it very rewarding to be a member of the Frankfurt Economic Council and of the first Bundestag. I was, of course, less concerned with representing specific industrial interests than with doing my best to contribute to the reconstruction of our country and to promote rationality in the conduct of political affairs and the setting up of political goals. However, it was inevitable that I should be regarded as a representative of industry and its interests. I did not feel that this was necessarily a drawback as long as I could make industry's views and needs known to my parliamentary colleagues in a balanced and convincing manner; it was simply necessary to know how to avoid representing only one's own interests. Adenauer, too, repeatedly told me and other industrialists how important he thought it was for some of the men active in the economic life of the country to become members of the Bundestag. However, no executive can afford to spend the better part of his week away from work, and therefore, unfortunately, independent and experienced men in leading positions in business rarely can serve in the Bundestag.

Our electoral system also contributes to this dilemma, since Bundestag candidates are selected in a rather unsatisfactory manner. In essence, the voter elects only the party, so that his vote merely helps to decide how many seats that party is to have. The few exceptions make no great difference and only confirm the rule. Long before the day of the election the party councils have decided who is to fill the seats they hold. Since they can be sure in advance of winning a certain number of seats, regardless of whether the candidates represent certain interest groups or are individuals who would compete well in an open electoral contest, the party managers are largely relieved of the necessity to search for particularly capable and effective men.

If we did not vote for the party list but for the individual—that is, adopted the majority system used in the United States and Great Britain—the parties would be forced to produce candidates who could gather votes in their election districts not only as representatives of their party but also on the strength of their own qualifications. Undoubtedly many objections can be raised against the majority electoral system, too, and although I favor it, I do not regard it as a panacea. Clearly, however, it creates a less ambiguous and hence, for practical

politics, a more useful basis for parliamentary work. In addition, under the majority system the people's representatives are more independent than they are in Germany, where, representing no one but their party, they do not carry as much individual weight. A majority electoral system need not dispense entirely with the party list, which could be retained to an extent in order to ensure a certain balance. It would be possible, for example, to have about one-fifth of the members of the Bundestag still elected on the basis of party lists, and the remainder elected by direct vote. It would be hoped, of course, that the party list would consist of outstanding men and not be merely a means to reward the party faithful.

The whole question took on a different complexion when, at the end of 1966, the Great Coalition government was formed by Chancellor Kiesinger. One of the items in the government's program was the substitution of a majority voting law for the system of proportional representation. However, the Socialist party soon withdrew its support, fearing that such a change would be prejudicial to its election prospects. As a result an opportunity for election reform was lost—an opportunity that probably will not soon occur again.

On weighing the disadvantages of our existing electoral system, it becomes apparent again how regrettable it is that when our Basic Law was created, the attempt to establish a second chamber along the lines of the United States Senate or the British House of Lords was not successful. Instead we have the Federal Council (*Bundesrat*), a token of the exaggerated importance attached to the federal principle, which is bureaucratic and too federalistic in its orientation. A truly effective second chamber would have offered a place in our political system for independent men of above average stature.

In addition, we are plagued by the apparently indestructible legend that the policies of parliamentary governments are constantly subject to the controlling influence of business and industry. The extent to which this view has made its way around the globe is illustrated in a speech made in 1965 by Jomo Kenyatta, the president of Kenya, in which he defines "African socialism" as follows: "African socialism differs politically from communism in that it ensures equal political rights to every adult citizen, and it differs from capitalism in that it prevents the exercise of excessive political influence on the part of big business." Here the concept of "the excessive political influence of big business" has virtually become dogma.

This view is compounded of a number of misconceptions and tradi-

tional ideas that are no longer valid. Production and trade are such basic elements of human existence that political life, too, cannot be imagined without them. When in 1215 Magna Carta, the cornerstone of Britain's constitution, restricted the king's right to raise new taxes, economic interests undoubtedly constituted one of the motivating forces. The idea that economic life and politics are two completely separate areas of life is an unworldly misinterpretation of reality. In accusing industrial and banking corporations of exercising an excessive and improper influence on politics, it is supposed that not only do the leaders of these "economic power groups" have the means at their disposal to exercise control over parliament, the press, television, and so on, but they also are actively engaged in the exercise of such control.

Ideas of this kind are pure fantasy. Compared with the influence that, for example, labor unions, agricultural interests, and associations of the small shopkeepers can and do exert, the political influence of business in Germany is quite modest. This is a fact that cannot be changed by continual assertions that the political influence of big business interests is great and ominous. A flourishing economy is vital to any government as the direct or indirect source of a great part of the revenue without which political institutions could not function. No responsible government can afford policies that do not take into account the needs of the economy. Government also needs expert counsel on economic questions, and if it is wise, it will not seek it solely from theorists and others not directly engaged in economic life, but also from those active in business and industry. That such advice is at times given unasked, and at times may actually become a demand, is the right of any group in a democratic state. Business groups, however, usually make such demands concerning only some immediate interest; it is rare that such groups try to influence the overall policy of the government.

It is characteristic of the situation in the Federal Republic that until recently the men who shape public opinion have almost deliberately fostered prejudice and mistrust of large corporations. As a result politicians are again and again misled into advocating measures designed to offer protection against the imagined dangers emanating from big business. One of these measures, for example, was the new corporation law of 1965, which prevents so-called "cross-representation" on boards of directors. The threat of conflicts of interest was cited as justification. To see how absurd this view is, one only has to reflect that in admitting, by codetermination, the representatives of labor to the boards of di-

rectors a situation has been created in which the employees of a corporation are in a position to supervise their own superiors. The assumption, then, is that labor representatives can be expected to exercise the necessary detachment, but that the president of an international corporation might succumb to pressure from another company if a member of that company were to belong to his board of directors. *Difficile est, satiram non scribere.*

Only recently has it been generally recognized that in Germany, as everywhere else in the world, progress in some industries inevitably leads to the formation of large business complexes. Until this was finally recognized, politicians, and particularly the spokesmen of small business, could hardly express indignation enough when this or that corporation became larger. But now the call is for more industrial concentration, and industry is being accused of not having recognized the signs of the times earlier! To their advantage and our disadvantage, other countries have been more farsighted in this respect. Abroad, the concentration of enterprises has been fostered for years in order to strengthen their competitive position on the European and international markets, while German public opinion would hear none of it. Yet measured by American standards, "big business" in Germany is still scarcely more than medium-sized.

In one of his speeches (May 11, 1965) Federal Chancellor Erhard complained that only farmers sat on the agriculture committee of the Bundestag, only workers on the labor committee, and only businessmen on the committee for commerce and industry, a situation, he felt, that promoted the formation of pressure groups. It must be observed that in the committee for commerce and industry, it is not the representatives of big business but the spokesmen of the middle class who have the upper hand—a state of affairs that aggravates rather than ameliorates the situation about which Erhard complained. It is these representatives of the middle class who labor under the demonstrably false impression that big business is a threat to the existence of smaller and medium-size enterprises; whereas in reality the continued diversification of consumer demand constantly creates new possibilities and prospects for smaller firms.

Toward the middle of the 1960s there was a general deterioration in the relationship between government and business, particularly big business. Such disharmony between politicians and industrialists had not existed under Adenauer. It was all the more surprising that it should arise during the chancellorship of a former Minister of Economics, even though he was admittedly never burdened by an excessive



sympathy for larger enterprises. It was altogether characteristic of Ludwig Erhard's economic policy that it preponderantly favored consumer production and not, as in most other large industrial countries, the basic and capital goods industries. And yet the latter industries provide the motivating force for industrial progress, employ a majority of workers, make possible the mass production that is the prerequisite for mass consumption and a higher standard of living, and contribute to our ability to compete in the markets of the world. The achievements of industry have been tremendous in the postwar era, making possible a federal budget that now exceeds 90 billion DM and threatens to increase further. After all, it is industry on which Germany's world-wide reputation rests. And it is the large corporations that have a particularly strong appeal for workers who, even as apprentices, are concerned with security of employment. The men who direct such enterprises have every reason to be proud of their achievement. Mistakes, of course, have been made, but it must not be forgotten that in recent years it was particularly the serious failure of public financial policy on the state, provincial and local level (for which all political parties are responsible) that retarded healthy economic growth. Happily this rather anti-business policy changed as the economic situation deteriorated, making clear to everyone how necessary it is for business firms to be able to operate successfully.

These comments, however, take us ahead of the events I was reporting. After all, the period between 1953 and 1965 was as long as the twelve years of Nazi rule. While that regime perished quickly and ignominiously because of its own reckless presumptuousness, reason and understanding of the needs and possibilities of a new era have predominated in the Federal Republic, even after 1953. One often hears the not unjustified complaint that an attitude of one-sided materialism has become common in our country. The side effects of this are indeed regrettable, yet it is a minor failing compared to a heedless propensity for adventures that end in catastrophe. This lesson of our most recent past will, it is to be hoped, never be forgotten by the German nation.

### *The Happy Fifties*

At the beginning of 1960 my wife said to Chancellor Adenauer that in days to come the past decade might well be called "the happy fifties." Indeed, during those years our republic made quite undreamed-of

progress, and in the field of foreign affairs exceeded even our most daring expectations. We again became an equal partner among the Western powers and, after a guilt-ridden past, were able once more to gain the respect of the world. Our economic recovery after total collapse has evoked the admiration of other nations, earning the somewhat questionable sobriquet of "economic miracle." Of course, not all our early dreams have come true. It is particularly distressing that our country is still divided and that so far our compatriots in the other part of Germany can still not enjoy a life in freedom. However, all told, we have been spared severe reverses, and the phrase "the happy fifties," which was much to Dr. Adenauer's liking, would not be unjustified.

I remained in the Bundestag only during the first third of the 1950s. I realized, as I have already pointed out, that in the long run one cannot combine a leading position in industry with parliamentary duties. The reins of so large an enterprise as Klöckner cannot for any length of time be held, so to speak, by the left hand only. I had to decide in favor of one or the other. After all, from 1947 to 1953 my work both as an industrialist and as a politician had been done under almost intolerable pressure, all the more so since the two functions required my presence in two different cities that, because of road conditions, were several hours away from each other. Before my almost daily journey to Bonn I had to attend to urgent matters in Duisburg and discuss various questions with my associates, and then, in the car to Bonn, go through a thick package of files and newspapers. In the evening, upon returning from the federal capital to Duisburg after a wearying day of meetings and debates, I often found decisions of considerable importance affecting the Klöckner enterprises awaiting me. I am thinking, for example, of the many questions concerning our new steel works at Bremen. These problems required quick decisions, but in most instances only time would show whether or not they had been correct. Other decisions concerned the formulation of our investment policies. We had to decide not only how much to invest but also to which of the various products in each company preference should be given. Every error in the assessment of the growth potential of the various products and enterprises could have serious consequences. The situation was additionally complicated by the fact that as long as the Allied reorganization of the basic industries, with its impact on ownership rights, continued, we did not know quite where we stood. During my term as a member of the Bundestag, I had relatively little time for considering all these questions and discussing them with my associates.

This state of affairs could at best continue for only a few years. Continued membership in the Bundestag would have been equivalent to another change of occupation. Apart from the question of whether I personally would have liked to do so, my strong interest in the business, as well as my family ties to it, were so important that I did not want to turn my back on them. Finally, and a very important factor, I loved nothing so much as my freedom. When I decided to remain loyal to industry I did it with a good conscience in the knowledge that by serving on the Frankfurt Economic Council and in the first Bundestag I had made my contribution to putting the Federal Republic into the saddle. It was now able to stay the course and could do without me.

However, I did not stop my political activities abruptly. I took part in the election campaign of my successor as the CDU candidate in order to make his start easier. The elections of 1953, it will be remembered, resulted again in a clear majority for the CDU/CSU.

Politically, 1953 was a turbulent year. After the death of Stalin in March came the uprising in East Berlin on June 17, to be followed by uprisings in other parts of the Soviet zone that were to end tragically for all of us. Ten days later an armistice was declared in Korea, thus ending a three years' war, but the country continued to be divided. The treaty for a European Defense Community, which had been ratified by the Bundestag in March, met with such resistance in France that it seemed doubtful whether such a community could ever be created. Although I did not share the pessimism expressed in October 1953 by Arthur Hays Sulzberger, owner and publisher of the *New York Times*, and his nephew, Cyrus L. Sulzberger, the well-known *Times* columnist, when they visited Germany and were ready to wager that sooner or later the hammer and sickle would be flying along the Rhine, I was not particularly sanguine about the world situation.

Relieved of my parliamentary duties, I now had more time for my work as the head of the Klöckner enterprises. May 30, 1953 was an important date for us, because on that day the "deconcentration" of our concern came to an end.

Since the formation of the European Coal and Steel Community in 1951, the deconcentration of the basic industries had taken place in a noticeably more friendly atmosphere between the Allies and the German business groups. Though until that time the Steel Trusteeship Association had, in accordance with its directives, hardly considered ownership rights, it was now established that the newly constituted

companies were to act for and on account of the former owners. Either the shareholders' rights were to be confirmed or the shareholders were to be compensated by shares in the new companies. Also, after a great deal of discussion, a tolerable solution was found to another very difficult issue, namely the question of the ties between coal mining and steel production. The heavy industry of the Ruhr had grown up on the basis of this affiliation because of the extensive coal deposits in the region. However, the Allies were wedded to the principle that coal and steel were no longer to remain in the hands of the same group of corporations. At first they were quite intransigent on this point, but eventually were persuaded to concede that the steel makers could obtain three-quarters of their coke from their own mines.

That economic developments in this respect would take quite a different course nobody could foresee in the 1950s. Today, because of the changes that have taken place in the basic fuel market, it is no longer of great importance that coal mining and steel production be integrated. Yet, the Allied authorities who put an end to the joint ownership of coal and iron certainly did not have the farsighted intention of helping the steel producers. On the contrary, they pursued the diametrically opposite goal of materially harming the German steel industry by abrogating its right to its own coal supply.

Toward the end of the deconcentration era, we, along with the other heavy industries involved, decided to cooperate actively in order to bring it to an end, and so to prevent the old Klöckner domain from collapsing completely (a fate that the occupation authorities had very likely intended for all the large corporations). Unfortunately, we still had to swallow many a bitter pill in the course of the deconcentration of Klöckner. The new holding company was not permitted to retain the name of the company—Klöckner-Werke—but had to be renamed by omitting the old respected name of Klöckner altogether. Under the new holding company the individual works, which had in the meantime been made independent, were once again combined; they comprised, besides the coal mines, three steel works and four plants for steel processing. Thus, instead of the former clear and well-integrated structure of the firm, there was now a monstrous edifice, whose leisurely shaping must have provided many years of lucrative activity for the Allied bureaucrats and "educators" who were carrying out the deconcentration program.

We know today, though at the time it was of no comfort, that the life span of this artificial and inartistic structure was quite brief. The

shareholders of the Klöckner-Werke AG actually profited to some extent; they were offered the chance to trade their old shares for shares in the new companies at a very favorable rate. Finally, I want to mention another "pill" administered by the deconcentration doctors: for a five-year period the firm of Klöckner and Co. in Duisburg was not permitted to be represented on the board of directors of the successor firm of the Klöckner-Werke either by the owner or by its executives. This meant for me personally that until 1958 I had to relinquish both my chairmanship and membership of the board of directors.

The reintegration of our machine building company, the Klöckner-Humboldt-Deutz AG in Cologne, into the larger Klöckner concern presented some special obstacles. Until then it had been almost a 100 per cent subsidiary of the Klöckner-Werke AG. This relationship had to be dissolved, the Allies insisting that the two former major shareholders of the Klöckner-Werke, the firm of Klöckner and Co. and the Klöckner-owned Dutch firm of NV Handelmaatschappij Montan in The Hague (which held a considerable proportion of the shares and had been sequestered by the Dutch government at the end of the war), be strictly separated from each other. The one was to hold shares only in the new mining and steel company, the other only in the Klöckner-Humboldt-Deutz AG. This was to be accomplished by a reciprocal exchange of shares. As a result, the Dutch holding company became the major shareholder in the successor company of the Klöckner-Werke, and the firm of Klöckner and Co. the major shareholder of Klöckner-Humboldt-Deutz.

The deconcentration farce that continued for several years thus brought with it an outward separation of the Klöckner-Werke but did not sever the internal connections. The various works and their plants, with the exception of the Königsborn-Werne coal mines, which became completely independent for the time being, eventually all returned to the fold of the Klöckner-Werke. Only a few interests in less important subsidiaries had to be given up and sold. The large fund of technological knowledge that had been accumulated in the course of the long collaboration of the various works remained available to the managers and the workers as a valuable legacy of the past. The administrative structure, however, had become terribly complex and confused and, consequently, very costly. It took years and a great deal of money gradually to rectify the situation and to rebuild an organization that would be at least halfway rational from a production and administra-

tive point of view. From a purely external viewpoint, as already mentioned, the picture had changed, but in a way an outsider could hardly perceive. The commercial firm of Klöckner and Co. in Duisburg and the Dutch holding company were no longer the joint "parent" of the successor company of the Klöckner-Werke and the "grandparent" of Klöckner-Humboldt-Deutz. Instead there existed two separate holding companies, one in Duisburg, the other in The Hague; the former is the major shareholder in the KHD and the latter in the successor firm of Klöckner-Werke. These two corporations today each have their independent place among German big business corporations, while Klöckner and Co. as a private firm is not so much in the public eye, although we take as much interest in publicity as any corporation.

In the fall of 1953 the Klöckner companies published a joint annual report, a sizable volume of about 250 pages which contained no fewer than forty separate balance sheets, a truly unique occurrence! This report showed the outlines of the reconstruction and reorganization that ushered in a new era in the Klöckner group. We were able to report considerable achievement. War damage had been repaired in our mines and, stimulated by the great domestic and foreign demand for coal, production was increasing. At the Georgsmarienhütte the new Siemens-Martin steel processing plant mentioned earlier was in operation, replacing the old plant which dated back to 1906; and in the Osnabrück works installations had been made for the production of large, high-grade forgings and castings. In the Haspe steel works a new wire rod mill had been installed, and the Mannstaedt works in Troisdorf and the wire manufacturing plants in Düsseldorf were also considerably enlarged. The situation at Klöckner-Humboldt-Deutz AG was even more promising, of which I shall say more later. Reconstruction had completely outpaced the creeping Allied deconcentration process.

Looking back, deconcentration and industrial dismantling held us back for but a few years, and today hardly anyone even thinks about this period any more. But those few years were full of uncertainty and often gave cause for serious concern. We were fighting for our very life, that is, for the continued existence of our group of industrial enterprises, just as the other coal and steel concerns were endeavoring to assure their continued existence under conditions that would make a rational and sound reconstruction possible. None of us knew how (or

whether) we would survive the activities of the Allied authorities, whose thinking in no small degree was still rooted in the concepts of the Morgenthau Plan.

As far as the dismantling measures were concerned, I still clearly remember the many discussions I had on that topic during my first postwar visit to the United States. I spoke with a number of gentlemen in the State Department, some of them high-ranking officials, who clearly perceived the irrationality of the dismantling policy; but apparently their influence was not sufficient to carry much weight. In New York I sought the advice of a leading executive of the largest American steel corporation, United States Steel, whose expert counsel was frequently sought by the U.S. government and who showed great understanding for our situation, but he also was unable to be of much practical help. Finally he told me that we should not view dismantling too tragically, for we would soon be building new plants and new machinery in place of the old, and in a few years would have the most modern installations in the world. No doubt he wanted to comfort me, and little did he realize how right his forecast would turn out to be. But at the time we in the coal and steel industry considered this attitude rather frivolous.

After the dismantling measures had more or less run their course, the deconcentration process gained momentum and gave us no peace. Apart from myself, the chairman of the executive committee of the Klöckner-Werke AG, Dr. Gerhard Schroeder, was particularly active in trying to obtain a reasonable arrangement for the large Klöckner domain from the local authorities, particularly in Düsseldorf. In the meantime, I "worked on" the central offices of the Allied powers in Bonn. Schroeder and I were always in close touch in order to exchange the most recent news and coordinate our next moves. After rushing back to Duisburg from the meetings of the Bundestag, I often met with him late in the evening or at night in order to plan our next steps. Everything we did had to be judiciously attuned to the attitude of each of the departments and persons with whom we had established contact.

And what was the result of it all? The mountain labored and gave birth to a mouse! At the end of the war about 43 per cent of the total German steel production and 23 per cent of coal production were in the hands of a single corporation, the Vereinigte Stahlwerke (United Steel Works). The remaining concerns, among them Mannesmann, Hoesch, the Gutehoffnungshütte and Klöckner, each produced only

about 3 to 6 per cent of domestic coal and steel. The final result was, therefore, that the Vereinigte Stahlwerke were divided into smaller, already existing individual units that were approximately the same size as the other existing concerns. However, production capacities remained more or less the same, since one cannot, after all, split a steel plant into two independent parts. It would, therefore, have been possible just to make the individual members of Vereinigte Stahlwerke independent from each other, and to allow the other corporations to continue more or less in their existing form. This is precisely what did not happen; every one of the remaining concerns, whether large or small, had to submit to the same senseless and cumbersome procedure, which interfered with all productive work and, during the many years it lasted, cost the afflicted parties millions of marks. All of us were nearly buried under a mountain of the most abstruse and complicated regulations and almost strangled by red tape. To remove this dead weight and return to more or less normal working conditions required several years even after the end of the deconcentration process, an additional burden in an age that in any case tends toward overbureaucratization and overorganization. In view of the present worldwide trend toward economic concentration, how shortsighted and short-lived all that appears today! One can only shudder at the memory of the nonsense we had to contend with, perhaps finding comfort in the old Latin saying: *An nescis, mi fili, quantilla prudentia mundus regatur?* [Do you not know, my son, with how little wisdom the world is governed?]

In all fairness, however, it should be said that the dismantling and deconcentration of our industries were the consequence of the catastrophe that the insane Hitler regime had inflicted on the whole world. In view of all that had happened, one could hardly expect that victors' actions immediately after the end of the war would be dictated exclusively or even primarily by political reason and economic insight. Nor should it be surprising that economic dogmatism and competitive impulses were given free rein and played their part. In the end, and this must reconcile us, reason gained the upper hand, although little Father Stalin also made his contribution involuntarily.

Overall, Klöckner emerged from the deconcentration nightmare more or less intact, although with some defects in its beauty and form. The magazine *Der Spiegel* wrote at the time that I had brought the Klöckner enterprise over the shoals more or less in one piece. Indeed, it had been possible to safeguard Peter Klöckner's legacy from the



dismemberment with which it had been threatened. We could not be anything but satisfied, and when the process was finally concluded we celebrated the event with a "deconcentration dinner." The only sad part of it was that Dr. Jarres was no longer alive to enjoy with us the event toward which he, especially, had devoted his remarkable energies.

Karl Jarres had been mayor of the city of Duisburg for almost twenty years, excepting only the period from 1923 to 1925 when he was Reich Minister for Internal Affairs and vice-chancellor in the cabinet of Wilhelm Marx. At the end of his term as minister and after the death of Friedrich Ebert, Jarres became a candidate for the office of Reich President. In the election he received a plurality of votes but not the necessary majority. However, when Hindenburg became a candidate for the run-off, Jarres withdrew; he did not want to run against Hindenburg. Who knows what course history would have taken if Jarres had been elected?

In 1933 he had to give up all further political activities. When the Nazis removed him from office as mayor of Duisburg he could have retired, but he preferred active work and henceforward devoted himself to the Rhine and Ruhr industries. In 1934 he became a member of the board of directors of the Klöckner-Werke AG. In 1942, after Peter Klöckner, one of his oldest friends, had died and the Nazis were creating a serious crisis for Klöckner, Jarres took over the chairmanship of the board of directors. That the Klöckner concern survived the remaining years of the terror regime without further strong-arm interference was due principally to his action. Subsequently he was equally instrumental in keeping Peter Klöckner's legacy more or less intact through the years of decentralization and reorganization. Jarres was just as helpful to other important enterprises, among them DEMAG, Mannesmann, and the Duisburg Chamber of Industry and Commerce. Originally a lawyer in the civil service, he had become an outstanding expert in the affairs of the coal and steel industry as well as in engineering, with which, as a native of Remscheid, he had been familiar since his youth.

During the years that followed my voluntary retirement from parliamentary life, I did not completely sever my connections with politics but took part in a great number of conferences, meetings, discussions and other political and economic events both in Germany and abroad. My path, therefore, frequently led again to Bonn, though no longer daily, and I visited the federal chancellery when Dr. Adenauer

invited me to discuss some current matter, usually with a small group of people. I also wrote a number of articles and gave lectures on subjects of topical interest. A few of these many events may be of general interest.

At the beginning of 1954, the second Westminster Conference of the European Movement took place at Church House in London. This meeting, attended chiefly by industrialists but also by many politicians, was to continue the work of the first Westminster Conference of 1949 in promoting the idea of European economic integration. In actuality, however, it became largely a discussion of a proposal advanced by British conservative circles for the creation of a preferential tariff system among the member states of the Council of Europe, the nations of the British Commonwealth, and the still existing European overseas colonies, with the aim of making the sterling bloc more independent of the U.S. dollar and of reestablishing to some extent Britain's former leading position in world trade. This plan conflicted both with the "most favored nation" principle and with the trade interests of the United States, nor did the British government support it. The proposal was eventually buried in style, so to speak, under a mountain of other proposals made by the conferees, so that the particular demands of the British came to nothing. The conference, therefore, became another occasion for establishing the principle that economic integration must not be allowed to deteriorate into the creation of economic blocs that would discriminate against other partners in world trade, a principle that has lost none of its validity today but unfortunately is often ignored.

The president of the second Westminster Conference was, remarkably enough, a German, Hermann J. Abs, who proved himself more than equal to the task. At the beginning of the 1950s, Abs became known to the general public as the head of the German delegation at the international war debt conference in London, which in February 1953 established the terms for Germany's prewar and postwar debts. He showed himself a shrewd and competent negotiator in that most complicated and difficult matter. In the course of the years, Abs has frequently represented and safeguarded German interests at international meetings, and his advice and help are frequently sought on national and international financial questions. A man of penetrating intelligence, he also possesses an amazing capacity for work; he has an unusually good memory and speaks several languages fluently. Small

wonder that our first Federal Chancellor, Dr. Adenauer, frequently consulted him.

But to return to the second Westminster Conference: Among the French participants, enthusiasm for the idea of economic integration had clearly waned considerably. This became even more apparent when German and French industrialists met in Paris at the end of March 1954 at the invitation of Pierre Ricard, president of the Association of French Steel Industries. Adenauer, who was eager to promote European economic unity, had asked me to attend this meeting, but on my return from Paris I could give him only a rather unfavorable report.

Later in 1954, however, the situation changed again for the better. That became agreeably clear when in December I went to Paris once again, this time to participate in a discussion of Franco-German economic relations to which the Centre d'Études de Politique Étrangère had invited a considerable number of German politicians, journalists, university professors, and industrialists, apparently with the encouragement of the French Foreign Ministry. In the French group, too, parliamentarians and officials outnumbered the industrialists. In the course of this discussion, which was opened and closed by the former French Prime Minister René Mayer, it became clear that the French had become much more favorably inclined toward the idea of Franco-German collaboration, a development of which Chancellor Adenauer learned with much satisfaction.

In the meantime Bonn and Paris had straightened out some of their political differences, after the low point in their relationship that had followed the French Assembly's rejection of the European Defense Community in the summer of 1954; the Paris treaties were ratified in October, and one of the results was the Federal Republic's becoming a member of NATO. The Saar problem was also settled: the future fate of this long-contested area was to be decided by a plebiscite (held two years later, it resulted in the Saar region returning to the German state).

In domestic politics, the question of antitrust laws became an important issue in the spring and summer of 1954, largely as a result of a draft law against the restraint of competition advocated by Professor Erhard, which had been submitted to the Bundestag. The battle over

the formulation of this law continued for several years and I took part in many of the discussions. One interesting meeting took place at the end of June 1954 with the American industrialist Henry Ford II. Ludwig Erhard gave a dinner in Ford's honor to which I and a number of other industrialists were invited; there Ford gave a stimulating talk about antitrust legislation in the United States. When our law was finally enacted, it contained a prohibition of trusts as a matter of principle, but was weakened by many subsidiary clauses granting exemptions.

The newly created federal antitrust office in Berlin did not follow an entirely consistent line in applying the law. Initially taking the position that the prohibition of trusts should be applied as widely as necessary and the exceptions interpreted as narrowly as possible, it eventually had to follow the more opportunistic course that Bonn adopted in treating questions of economic competition; this course also influenced the supplementary law that was passed, much later, in 1965. On the other hand, the trend toward concentration encouraged by general economic development and foreign competition strengthened Bonn's resolve to set limits on the market control exerted by big business. The antitrust law of 1957 contained a provision under which enterprises monopolizing the market could be placed under supervision, but in the first eight years the federal antitrust office had never found it necessary to enforce this provision. The supplementary law of 1965 undertook to define the concept of monopoly, for which the federal antitrust office had been unable to develop consistent criteria, in terms of the size of a firm: its turnover, its assets, and the number of its employees. Firms considered "large" according to this yardstick were then subjected to certain restrictive regulations. This procedure is somewhat questionable, for it loses sight of the original purpose of governmental regulation: the antitrust law designed to ensure free competition becomes instead an instrument for government regulation of the size of enterprises, based on increasingly antiquated concepts as to the "proper" size of a corporation.

Politics had by no means released its hold on me. The following year it claimed even more of my time when the German Society for Foreign Affairs (*Deutsche Gesellschaft für Auswärtige Politik*) was founded in Bonn and I became its president, with the chief responsibility for the future development of this new and important institution. Preliminary discussions had already taken place in the fall of 1954

with former minister-president Theodor Steltzer and with Wilhelm von Cornides, the editor of the periodical *Europa-Archiv* (which he had founded in 1945). In 1952 Steltzer and Cornides had organized the Institute for European Political and Economic Affairs in Frankfurt, which did useful work but lacked a solid foundation.

It seemed natural, therefore, to seek affiliation with an organization that could provide a sound financial basis for both the periodical and the institute. An even more important consideration was that within the Federal Republic there was no influential institution concerned with the promotion of research and information on foreign affairs such as had long existed in other countries; for example, the Royal Institute of International Affairs (generally known as "Chatham House") in England, the Council on Foreign Relations in the United States, and the Centre d'Études de Politique Étrangère, in France. The time seemed ripe, therefore, for the Federal Republic, whose future depended even more than that of other countries on developments in the field of foreign affairs, to have a similar organization, even though the small city of Bonn could not offer so favorable a setting as the great metropolitan centers of London, New York, and Paris.

It was first of all necessary to secure financial resources for the operation of such an institution. Thanks to the willingness of a number of large industrial corporations to become sponsors, we were able in March 1955 to send out invitations to potential members in the name of twenty-one sponsors, among them the leading men of all the political parties in the Bundestag. This clear indication of the non-partisan character of the new association was emphasized further when Fritz Erler was chosen to be the deputy president. Business was represented by a number of its most prominent men and the Foreign Ministry by some of its high officials. The founders' meeting took place in the reception hall of the University of Bonn. Federal Chancellor Adenauer, who at that time was also Foreign Minister, addressed the gathering, and the society then organized itself according to plan.

During the next decade the German Society for Foreign Affairs developed in a most gratifying manner. The Frankfurt Institute for European Political and Economic Affairs was affiliated with the society and renamed Research Institute of the German Society for Foreign Affairs; it then moved to Bonn. The periodical *Europa-Archiv*, remaining under the editorship of Wilhelm von Cornides, became the society's publication. Theodor Steltzer, who with Cornides had been very instrumental in putting our new society on its feet, became its

executive secretary in Bonn. When he resigned from the governing committee after his seventy-fifth birthday, he was succeeded in his post by former ambassador Dr. Walther Becker. Dr. Becker did much to further the expansion of the society's activities, bringing to his task his long experience as a diplomat and chief of mission, and carrying it out with great fairness. It was most unfortunate that he had to resign for reasons of health in 1966. After a long search we induced the former German ambassador in Moscow, Dr. Gebhardt von Walther, to become his successor.

Soon after the society was started, Professor Ulrich Scheuner of the University of Bonn, a well-known expert in constitutional and international law, accepted the chairmanship of the research committee. It is mainly due to his efforts that the research activities of the society have developed successfully and along clearly defined lines.

There were repeated changes in the post of director of the Research Institute, until Wilhelm von Cornides, who had done so much to establish the institute and could rightly be called its guardian angel, assumed the position in 1965. His work as editor of *Europa-Archiv*, the only complete German-language documentation of foreign political affairs since 1945, was especially valuable. The work of this excellent man unfortunately was cut short by his premature death in 1966. The breach was filled by Dr. Wolfgang Wagner, known as a versatile editorial writer and radio and television commentator. He assumed the editorship of *Europa-Archiv* in addition to all his other work and became also the interim director of the Research Institute and acting executive secretary. He showed himself fully equal to these manifold tasks. At the beginning of 1970 we succeeded in persuading Professor Karl Carstens to become the new director of the Research Institute. He had for many years been undersecretary in the Foreign Ministry and later in the federal chancellery, and we are setting great store by him. The Research Institute has by now a substantial number of publications to its credit. Those to receive most attention have been the yearbooks appearing under the title *Die Internationale Politik*, the first of which, dealing with the year 1955, was published in 1958. Since then these yearbooks have rapidly gained an international reputation.

In addition to Fritz Erler, two other men have been particularly helpful to the German Society for Foreign Affairs: first, Helmut Schmidt, now Federal Minister of Defense, who joined the governing board as deputy president after Erler's death and also assumed with

expert skill the direction of its study group for international security; and second, the Bundestag member Dr. Kurt Birrenbach, who is also a member of the governing board of the society and chairman of its study group for German relations with the Soviet Union and other Eastern nations. Dr. Birrenbach became known to the general public in 1965 when under very difficult circumstances he skilfully conducted the preliminary negotiations for the establishment of diplomatic relations with Israel.

The membership of our society has in the meantime increased to more than a thousand. Lectures by leading political figures, both German and foreign, are arranged periodically; some of these have created considerable interest and become political events in their own right. The first one, in September 1955, was a double event in which both Kurt Georg Kiesinger (later minister-president of Baden-Württemberg and Federal Chancellor in the Great Coalition government) and Professor Carlo Schmid reported on their impressions of their visit to Moscow accompanying Adenauer. This visit led to the resumption of diplomatic relations with the Soviet Union and the return of the German prisoners of war who were still being held in Russia.

The following year the society was able to arrange, among other events, lectures by two distinguished foreign statesmen, Indian Prime Minister Jawaharlal Nehru, and the British leader of the opposition, Hugh Gaitskell.

In honor of Nehru we made somewhat formal arrangements in the Hotel Petersberg. He was indeed an impressive personality, and when he spoke his British training was fully apparent. His talk kept us spellbound and lasted for two and a half uninterrupted hours.

Nehru was unquestionably an outstanding statesman. His policies were often criticized in the West because he adhered so completely to the concept of "nonalignment" and also recommended this attitude to other nations, as if the formation of blocs and military defense treaties were something immoral. Situated as it is near the two Communist giants, the Soviet Union and Red China, India finds itself militarily in an extremely vulnerable position, so that Nehru's policies were in keeping with his country's most fundamental interests. However, in 1962 Nehru, too, had to look for support, which he sought in both Washington and Moscow, when massive Chinese troop movements into Indian territory led to armed clashes on the Kashmir border and in the Himalayas. Nehru's predilection for a planned economy has also often been held against him in the West. However, this criticism has

usually overlooked the fact that private enterprise alone could not handle the tremendous task of providing food and work for India's abjectly poor masses, for the simple reason that even today little private capital exists in India. All in all, the West has every reason to be content if the subcontinent of India remains a democratically governed "uncommitted nation." We must certainly never refuse it our help.

Hugh Gaitskell, whose early death in 1963 prevented his becoming prime minister of England, was also an able and impressive speaker. He was, perhaps, even surpassed, although in a rather demagogic manner, by Aneurin Bevan, his "foreign minister" in the so-called "shadow cabinet" of the Labour party. Bevan visited us in 1957, but his death in 1960 removed him, too, from the political stage prematurely.

Bevan was known to have no love for German industry and particularly not for German industrialists. Prior to the evening's lecture, therefore, I invited him to a luncheon with a dozen or so of the men holding leading positions in German industry, so that he could actually get to know this species whom he always judged so harshly. Afterward we had a pleasant and interesting talk with him and accomplished our purpose: in the future when Bevan was tempted to speak of the German industrialists as monsters, he had to remember that in fact they were rather companionable men. Whether in the few years left to him after this visit to Germany he spoke of us in more friendly terms, I do not know.

In addition to these Labour party politicians, we also welcomed a number of speakers from the British Conservative party, among them Labour Minister Ian N. McLeod in 1959, and Reginald Maudling in 1966, but we soon realized that it is much easier to get speakers from the opposition because members of the government are usually too busy for lecture tours.

A lecture by Prince Bernhard of the Netherlands on the subject "Economic Aid and International Security" deserves special mention. During his lecture and particularly in the discussion that followed, he demonstrated an impressive mastery of his subject and an unusual understanding of the requirements of international collaboration. Perhaps only the next generations will fully appreciate the important part the Prince has played in the work of postwar reconstruction in the whole world and in the establishment of better relations between the free nations. Another guest speaker was Dr. Fred Luchsinger, the



editor-in-chief of the *Neue Züricher Zeitung*, who for many years had been the paper's Bonn correspondent and had gained a distinguished reputation as a clear-sighted commentator on politics. His reports from Bonn were among the best regular commentary to be found in the international press on the affairs of the Federal Republic. The subject of Israel, so difficult for many reasons, was discussed in one of our meetings by Dr. Nahum Goldmann, the president of the Jewish World Congress and of the Zionist World Organization. One only had to speak briefly with this sagacious man, a native of Poland who had been educated at the universities of Heidelberg, Berlin, and Marburg, to understand why for decades he had been the leader of world Zionism. As a counterpart, so to speak, we also arranged an evening with the secretary general of the Arab states, Dr. Mohammed Abdel Khalek Hassouna.

The first member of President Kennedy's cabinet to visit Germany was Secretary of Commerce Luther H. Hodges, who spoke to us about the problem of the developing countries. Two years later, President Kennedy himself paid his memorable visit to Germany. Later our society was able to welcome his brother, Attorney-General Robert Kennedy, as one of our speakers, as well as Adlai E. Stevenson, the chief U.S. delegate to the United Nations, another excellent speaker. The Secretary-General of the United Nations, U Thant, was also one of our particularly interesting guests.

Over the years the society's annual meetings, too, developed into events of general importance. Prominent speakers addressed our members after the annual luncheon, among them Federal Foreign Minister Dr. Schröder in 1962, and in the following years, Chancellor Adenauer, Willy Brandt, then Mayor of Berlin, Chancellor Kurt Georg Kiesinger, Helmut Schmidt, then chairman of the SPD caucus in the Bundestag, and finally Karl Klasen, the new president of the German Bundesbank.

The work of the society naturally led to close contacts with the Foreign Ministry in Bonn. We have, however, always made a special point of maintaining our independence, which the Foreign Ministry has invariably respected.

As a former member of the German diplomatic corps I have been particularly interested in the establishment of the new Foreign Ministry of the Federal Republic and the formation of its foreign service.

Its beginnings were very modest since at first the Allies permitted the young Federal Republic only consular representatives abroad and a consular department in Bonn. Its direction was entrusted to Dr. Theo Kordt, who had been the last prewar councillor of embassy in London; François-Poncet promptly dubbed him "Premier Consul," the title that Napoleon I held before he declared himself emperor of France. A Foreign Ministry as such was not established until 1951, and it only became fully operative when in 1955 the Federal Republic became a sovereign state as well as a member of NATO.

Over the years the ministry has been subjected to criticism which has often been less than factual. On my numerous trips to various parts of the world I have had many opportunities to meet with our representatives abroad and have each time gained a favorable impression. I thus have reason to believe that on the whole we again have a foreign service that is staffed by able and qualified people whose work and conduct abroad deserves respect.

Occasionally, however, one hears reports indicating that the new organization does not compare favorably with the old Wilhelmstrasse. In the postwar foreign service there has been, for example, a tremendous and unhealthy increase in personnel both abroad and in Bonn. What was once a small nucleus has become a gigantic bureaucracy. If I had ever taken over one of our embassies, I would have probably, first of all, streamlined the organization thoroughly and tried to make it into a small but all the more effective instrument. It seems to me nonsensical that embassy attachés for social problems, for agriculture, and the like should maintain whole staffs that are probably largely dispensible, and that in addition to their proper functions our embassies have become travel services, concert agencies, and so forth.

The repeated inappropriate or extravagant demands made on our missions abroad, particularly by German travelers, whether Bundestag members, civil servants, or simply globe-trotters, have naturally contributed to the continued increase in the duties of our missions abroad. In this century, relations between nations have greatly expanded and deepened, with a corresponding increase in direct contacts, so that it is surely not necessary that the embassies be burdened with every detail. However, this unhealthy aggrandizement of embassies seems to be an international ailment. One look at the list of the diplomatic corps in Bonn shows how times have changed. Naturally, the embassy buildings, too, have become more and more pretentious. If one asks in any world capital, particularly overseas, who owns this or that ostentatious build-

ing, the answer is usually that it is an embassy (most often a diplomatic mission of the United States).

During the years of reconstruction, the directors of the German museums did not remain idle. They put their possessions in order, but it would be some time still before the public could again view them. In the meantime, several small exhibitions were organized and some valuable pictures were lent to important government offices. For example, a number of first-rank paintings from the Wallraf-Richartz Museum in Cologne were displayed in the official residence of the Federal Chancellor, the Palais Schaumburg in Bonn. I still remember with pleasure how sometimes during difficult deliberations with Chancellor Adenauer we could look up from the conference table and admire the wonderful pictures on the wall. What our eyes could see was often more enjoyable than what our ears had to hear.

In 1955 the Bavarian National Museum in Munich could open its doors again. Until then its exquisite porcelain collection had to remain in storage because no display cases were available. When I heard of this sad state of affairs from Professor Theodor Müller, the Museum's excellent director, I gladly came to his aid and donated the needed glass cases. We also lent the museum a large Gobelin tapestry whose colors blended well with the porcelain, so that on opening day the room presented a picture of unique beauty.

Of the political events of those years, I remember particularly a discussion with the Federal Minister of Economics, Professor Erhard, in which Undersecretary Westrick, Robert Pferdmenges, Richard Merton, Hermann Abs and I took part. This meeting had been preceded by the European Coal and Steel Community conference at Messina at the beginning of June, at which the Benelux countries' proposals for further partial integration had been discussed. Their object was to bring us closer to the establishment of a common market. However, neither France nor the Federal Republic had shown much enthusiasm at the conference for the idea of further partial integration, particularly not if it was to be of a supranational character. The French attitude came as no surprise, but the participants in the conference did not expect that the German attitude would also be negative.

I made the following notes of our discussion with the Minister of Economics: "Erhard elaborated his concept: he is against partial integration and wants to proceed toward functional integration (a term

coined by him). I pointed out that European public opinion had been unfavorably impressed by the German attitude at Messina. It seemed to me to be excessively dogmatic to make a sharp distinction between institutional and functional integration. I also felt that we should make a positive contribution in order not to give the impression that we had been ready to renounce sovereign rights only as long as we were not a sovereign state ourselves. I was not as afraid of supranational institutions (as Erhard obviously was) as long as one made sure that they did not one day develop into a European planned economy. Following this discussion it was decided to pursue a policy along these lines; the Ministry of Economics was to work out appropriate plans and proposals."

Because of the extensive Klöckner interests in South America, I made a tour of that continent, accompanied by my wife, in October 1955. During the preceding years we had traveled mostly in the Mediterranean region but now we were to cross the ocean once again to the Western Hemisphere, much more quickly than the last time, for the flight to Rio de Janeiro (by propeller plane) took less than thirty hours, not counting the difference in time.

We arrived in Brazil, my fourth visit there, just one day before the presidential elections from which Kubitschek emerged as victor. Revolutionary disturbances were expected, but fortunately none took place. Actually, unpopular measures could hardly be expected from the new president, although they were indeed needed if the country, so rich in natural resources and developmental potential, was to be lifted out of the rut into which it had fallen. We found, of course, that Rio de Janeiro had grown out of all recognition; with its high-rises and skyscrapers, the city had become North American in appearance. However, the tremendous expansion of South American metropolitan centers is not necessarily an expression of healthy economic development.

What did impress me was the progress that had been made in opening up this gigantic country by means of a relatively extensive network of domestic air services. To reach São Paulo by train used to take twelve hours, but now one could fly there in one hour. The service was practically continuous—one had only to go to the airport and board the next plane, just as at home in the Ruhr region we would board the next train to travel from one city to another. Kubitschek's decision to locate the new capital, Brasília, six hundred miles inland was a clear expression of his determination to use modern technology

to open up the interior; naturally, it was also intended to increase the president's popularity.

In Argentina, the next country we visited, Perón had been deposed just one month before our arrival. Even the streets of Buenos Aires showed his ruinous influence on the country's economy. People were almost without exception poorly dressed, and the stores displayed only shoddy goods. It was a most depressing sight, and the picture did not improve when we became more intimately acquainted with the economic conditions of what had once been a flourishing nation. During the following decade, too, efforts to restore good work habits in Argentina were only partially successful, as were the measures taken to put an end to the two hereditary evils, inflation and the deficit financing of the government.

Our flight from Buenos Aires over the Andes to Santiago, Chile, was as thrilling as a plane trip could be. In Lima, the capital of Peru, a small factory for the production of pipe built by Klöckner and Co. and our local business friends, the leading Peruvian firm of Wiese, had just been put into operation. On the last day of our stay in Lima we watched the strange spectacle of the great procession for exorcising plagues that has been taking place annually for several hundred years. For three days and three nights, all work ceases, and huge masses of people slowly wind their way through the broad *avenidas* behind the statue of a saint carried aloft.

From Lima we visited the old Inca city of Cuzco, over 10,000 feet up in the Andes. Actually not much more than the foundation walls remain from the time of the Incas. The Spanish conquerors destroyed nearly everything else, so that anyone expecting to see old monuments, such as exist in the Nile valley, for example, will be disappointed. What remains is, nevertheless, remarkable, particularly the ruins of the old Inca fortress Machu Picchú, several hours journey northwest of Cuzco. It is breathtaking to view these remaining walls high on the summit of mountain ranges rising steeply in the midst of an alpine landscape.

After Peru we stayed for two days in Panama, whose population represents so many races and colors, from white to deepest black and all shades in between.

The last country we visited was Cuba, at that time still ruled by General Batista, who had made himself president by a coup d'état. Thanks to large American investments the island, as we could see for ourselves on our various visits, appeared to be anything but poverty-

stricken. Nobody had yet heard of Fidel Castro, who began the revolution against Batista in 1956. From Havana we flew back to Europe by way of New York.

All in all I left South America with the impression that life there has become much more pleasant than I had experienced it in the twenties. At that time one suffered more from the heat during the long summer months in Buenos Aires, which is not even in the tropical zone, than one does today in the countries on the equator. Air-conditioning, not only in hotels, offices, churches and theaters, but very often also in private houses, as well as electric refrigeration, makes life considerably more tolerable today. Radio and air service have radically improved communication, transportation, and the postal services.

Despite this progress, the whole of Latin America has since 1945 become a problem child for the world and particularly for the Atlantic economy. Three of the causes for this apply to nearly all these countries, although in varying degrees: too rapid growth of population, an antiquated social structure, and industrial development that has so far increased rather than relieved the problems of the countries concerned.

The "population explosion" of our time is hardly anywhere so acute as in Latin America. Its population has more than doubled in the last forty years, from 94 million to almost 200 million. This rate of growth exceeds even that of the countries of eastern and southern Asia. Actually, the continent is still a huge, very thinly populated region where even today there are on the average only twenty-five inhabitants per square mile. Only 20 per cent of the land is used for agriculture and much less than that is under cultivation. More than one-third of the continent is covered by primeval forest. Natural resources are still largely untapped. However, the average population figures convey a false picture. The tremendous population increase in Latin America has by no means spread evenly throughout the continent, but is concentrated in the developing industrial areas which cannot properly support these huge agglomerations of people. The increasing urbanization of the population is typical throughout the continent; in Argentina, Chile, Uruguay, and Venezuela more than two-thirds of the inhabitants live in the cities. The immense open spaces outside these centers, therefore, are even more sparsely populated than the averages indicate; they are, in fact, largely uninhabited.

The social structure of Latin America has not kept up with the times

and is still closely related to the ethnic composition of each country. Except in Argentina, Brazil, Chile, and Uruguay, the Spanish-Portuguese colonial period and its consequences brought about a mixture of races that is unique in the world. Between the full-blooded Indians on the one hand and the population of purely European origin on the other, the masses of people in many Latin American countries are a mixture of races. In addition, there are about fifteen million Negroes and mulattoes in Brazil and the Caribbean. The result is not the racial conflict encountered in some other parts of the world, but a social situation in which a thin layer of very wealthy people is confronted by poverty-stricken masses subsisting in hunger and misery. Most of the population have always worked on the plantations and in the mines; having nothing to lose because they possessed nothing, for generations they accepted their fate with resignation and, like leaderless masses everywhere, took no part in political affairs.

In our century the continual advance of industrialization has initiated far-reaching social changes. Increasing urbanization has resulted in a growing middle class from which come the army officers, students and professors who have sought to gain leadership and power by mobilizing the masses for their purpose. This was the background of men such as Perón and Fidel Castro. Today the social question is the most pressing problem on the continent, with the result that justifiable hopes for great economic improvement are balanced precariously against the threat of revolution. Cuba is a cautionary example.

In the Atlantic economy Latin America is the southwestern cornerstone. Until recently its most important function was to supply the United States and Europe with raw materials and agricultural products and in return to acquire or borrow the necessary capital for its own development. This position has meant, and still means, that its products are closely tied to the world market and its price fluctuations. Any downward trend in prices, as has occurred in recent years, immediately jeopardizes all further Latin American development projects.

In such circumstances Latin America very understandably has its sights trained on the United States and Europe. In Washington the extent of its problems has been fully recognized, certainly since Cuba offered such an electrifying example. President Kennedy's Alliance for Progress attempted to put all available experience into practice in the form of a large-scale aid program, but its results have so far been meager. The Latin American countries continue to depend on aid from the United States.

This is all the more true since the whole of Latin America was much

disturbed by the formation of the European Economic Community, particularly because many countries in Africa and overseas became associate members and so were granted preferential treatment for their products within the European Common Market. In addition, the Brussels agreements on agricultural policies created the impression that the member states of the EEC would seek to buy needed agricultural products primarily from among themselves and thus create a closed market. More than once Latin Americans have warned that if this were to come about, they would in the future buy industrial products from countries outside the EEC.

Such an action would certainly affect the economy of the Federal Republic, which has much at stake in that part of the world. One look at the foreign trade balances of the Latin American countries shows that both as buyer and seller Germany almost everywhere holds second place, after the United States. But more is at stake than the danger of losing important markets. To reduce or, even worse, cut off European trade with Latin America, particularly now, when those countries are going through so critical a phase in their development, would irresponsibly endanger the cohesion of the free world and the Atlantic economy in particular. How to prevent a break in trade relations is chiefly the business of governmental economic policy, in which we shall have to proceed carefully, but with well-defined goals in mind. When dealing with these questions it should never be forgotten that the Latin American countries are not strange, exotic regions but, as descendants of the Old World, are destined to perpetuate European culture and values. Their future must, therefore, be particularly close to our hearts. Since the days of Alexander von Humboldt, Germany in particular has always maintained close cultural relations with Latin America. It is a tradition that must not be disregarded.

After my return from South America I was soon caught up once more in our domestic problems in Duisburg. At the turn of 1955-56, price questions once again caused headaches to both industry and the federal government. Already in November, Economics Minister Erhard told me at a party that a stand against sliding price clauses would be the next item on the agenda of the government's economic policy. In January 1956, Dr. Adenauer, too, very worriedly spoke to me about the problem of raising the price of coal, which at that time still was fixed, for both domestic and foreign sales, in accordance with the ceiling established during the period of governmental control. I replied



that as an industrialist I could only be in favor of finally obtaining an equitable price for coal, but I was ready to grant that it was politically inopportune at the time. But when, one might ask, would there ever be a time when raising the price of coal would not be inopportune?

Professor Erhard did not follow a consistent policy on this question, either then or later. After first more or less definitely promising the mining industry an adequate increase in the price of coal, he later seemed to want to retreat from this position. The coal industry asked me to do what I could to persuade the federal government to decide on an increase that was at least halfway acceptable, while in Bonn, Erhard and Adenauer wanted to evade such a decision. In May 1956 Erhard even urged me in a telegram to use all my influence to prevent any correction of the price of iron, which had also become an acute problem. Adenauer in the meantime had become more concerned with the problems of economic aid for the underdeveloped Mediterranean states and the canalization of the Moselle River. Although the economic reasons advanced for the project were not convincing, the federal government wanted to undertake it to please France in the interest of a satisfactory final settlement of the Saar question.

A more pleasurable occasion for meeting with the Chancellor was his eightieth birthday on January 5, 1956. Dr. Pferdmenges arranged a small pre-birthday celebration in his house to which a number of bankers and industrialists were invited with their wives; Adenauer arrived with fourteen members of his family. Pferdmenges made a witty speech and Dr. Adenauer replied with a good deal of humor, although he was otherwise very serious and much concerned about the future.

That same month we were invited to a reception given by the Chancellor to honor Juscelino Kubitschek, the newly elected president of Brazil, who was visiting the Federal Republic. On being presented, I spoke to the guest in Portuguese, which pleased him and impressed Adenauer. The Chancellor asked Foreign Minister von Brentano across the room whether he could not use me as a Portuguese interpreter. On my translating this for Kubitschek, he declared with perfect Brazilian courtesy that I would be admirably suited for the task.

In May 1956 Sir Winston Churchill visited Bonn. I met him at a very interesting gathering arranged by Dr. Adenauer. The guest, however, was no longer nearly as lively as his host. As Churchill's personal physician Lord Moran, later revealed in his sensational book, the famous British statesman at that time had already suffered one heart

attack, three bouts with pneumonia, several strokes, and two operations. In view of all this, it is even more astounding how much energy and capacity for work Churchill was able to command until he resigned the premiership in 1955. However, Lord Moran's report that Churchill showed signs of serious illness even during the Second World War may account for the fact that in the final phase of the war Churchill was no longer able to assert himself vis-a-vis Roosevelt or Stalin with his former vigor and resolution.

On July 1, 1956, Klöckner and Co. celebrated its fiftieth anniversary. Holding a special place in the group of Klöckner enterprises, the firm on this occasion could look back proudly on a record of successful postwar reconstruction. Once we had been able to resume work again without interference, our yearly turnover had risen to about 1.9 billion Deutsche marks, an achievement in which every member of the staff, now numbering more than 5,000 people, had participated. At that time we were about halfway on the road to our present size. Even in 1956, however, we had achieved considerable success in extending our organizational structure and with it our fields of activity. To our traditional coal and steel business and the raw materials closely connected with it, we had gradually added new branches to our enterprise in order to provide against fluctuations in demand and against changes in the structure of the market.

To set a good example and to show that a fiftieth anniversary of a firm such as ours can be celebrated without great extravagance, we confined ourselves to nothing more than the annual works holiday and two dinners, one attended by the executive boards of the firms that belonged to the Klöckner group, and one with the directors of Klöckner and Co. itself and its branch managers. We also made a number of contributions in honor of our anniversary, one to the Red Cross for a new building in Duisburg and one to the Free University of Berlin for aid to students from the developing countries. The Bavarian State Library was given the autograph of Haydn's "Creation" Mass, which I had shortly before been able to buy in Switzerland. Jointly with the Klöckner-Humboldt-Deutz AG, Klöckner and Co. also made a donation to the Germanic National Museum in Nuremberg, to be used to furnish an exhibition room for the "Echternach Codex" and another room for the display of antique costumes, furniture, and Gobelin tapestries.

Until well into the Second World War the commercial house of Klöckner and Co., which at that time was one of the two holding companies of the Klöckner-Werke AG, which in turn was the parent firm of Klöckner-Humboldt-Deutz, had been the center from which Peter Klöckner, as chairman of the board of directors of the two stock companies, had directed his industrial enterprises. During the disorders of the war and early postwar period it continued to be the fulcrum for all the old Klöckner companies, even though during the first years of the Allied occupation we lost much of our say in our own house. In the following years the firm largely regained its importance as the center of the Klöckner group, though organizational difficulties resulting from the deconcentration process have remained. As the managing partner of Klöckner and Co., it has been one of my chief concerns during the postwar years to take appropriate measures to ensure the growth and efficiency of the individual Klöckner companies.

In the various companies in which I have been entrusted with the chairmanship of the board of directors, I have always maintained the closest possible contact with management and have been available to discuss the firm's daily problems and concerns either with the full management group or some of its members. Industrial leadership consists, incidentally, not only in deciding what has to be done, but often also in deciding what should not be done. Not every proposal submitted proves to be really useful in the long run. Many seem to be tempting, but decisions must not be made precipitously, particularly when it is a question of projects of some size. Special problems are the frequent proposals that a certain enterprise be taken over either because it is in financial distress or, in the case of private concerns, because no successor or heir is available. As tempting as such proposals often are, it is usually necessary to decline. One must not be afraid to disappoint those who make the offer or one's associates who back it. Among the enterprises that have been offered to the Klöckner group for purchase or participation over the years have been some very well-known firms from almost all branches of business, among them ship-builders, automobile manufacturers, machine builders of every size, and sundry other enterprises. An overly willing acceptance of such offers or proposals can easily lead to many worries and pitfalls later.

The fiftieth anniversary of Klöckner and Co. was a day of particular significance not only for our firm but for the entire Klöckner group. I have been reminded that on this occasion I said in the course of a

dinner speech that a certain "immanent rationality" operates in industry that is often stronger even than in politics. In retrospect, and in view of several unfortunate experiences since then, this may sound somewhat too optimistic. However, industry is one of those spheres of life in which irrationality shows its effect quickly. Hence those of us who have to make decisions in industry are forced to be guided by reason. We know from experience that in politics irrational, even insane, behavior can be indulged in over several years before the catastrophe occurs. For the individual, too, the price of irrationality may be postponed until old age. But in industry, errors in judgment are usually followed quickly by their appropriate consequences. This does not alter the fact that in industry it is sometimes difficult and, for some people, not always possible to recognize what does make sense. The danger of error is always great, and it is a mistake to believe that pencil and paper, economic science, or most recently, computers alone are sufficient to find the right way.

Industry, like politics, is the art of the possible. But an art cannot be calculated; it is a thing of intuitive perception. Yet industry differs from politics in that the favorable or unfavorable consequences of a decision usually make themselves felt very soon. To cite one example: When we built our new steel mill in Bremen (which will be mentioned again later) and started operations at a time of temporary recession in steel, several leading and well-meaning industrial friends asked me, "Do you think you made the right decision when you built this plant?" A few years later when production could hardly keep pace with demand, the very same gentlemen, who probably remembered less well what they had said than I did, commented, "Of course, you were quite right, you absolutely *had* to build that plant." The decisive point in this case was not the fluctuations of the market but the situation of our other plants, restricted for space and far from the sea, so that we had to do something if we were not to withdraw from the race altogether.

At the end of the same year there was another celebration: On December 4 the Humboldt works of the Klöckner-Humboldt-Deutz AG in Cologne could look back on the first century of its existence. This plant had been founded back in 1856 as a "machine factory for the mining company of Sievers and Co." In this instance, too, we confined our festivities to a gathering on the premises of the plant. After the Second World War the Humboldt plant had been able quickly to recapture its important position in the production of machinery. After the currency reform demand for replacement machinery rose steeply

and order books began fill up again. At first it was mining equipment that was chiefly needed. Later, demands came also from other fields, particularly for equipment for the chemical industry. The heat exchanger developed in Cologne made the construction of cement factories an increasingly important part of the business.

The Humboldt works were, therefore, well able to keep up with the very satisfactory growth that Klöckner-Humboldt-Deutz as a whole could register after 1948. Between the period immediately following the currency reform in 1948 and the jubilee of the Humboldt works in 1956, the KHD increased its total turnover by 500 per cent. Three years later its turnover exceeded one billion DM, and by now it has reached more than three billion DM. Over the years exports played a growing part in this achievement.

A particularly successful branch of the business since the war has been the manufacture of engines. Even during the war KHD had begun to build air-cooled engines. This type of engine was brought to such a stage of perfection by the director of the technical development department of the enterprise, Dr. Emil Flatz, an engineer and designer of extraordinary ability and inventiveness, that after 1950 air-cooled engines pushed the water-cooled diesel engine into the background in our production program. Developments in the Deutz works led to an impressive increase in engine performance: air-cooled engines were built up to 500 h.p. and high-speed water-cooled four-cycle engines for ships and locomotives up to 1,500 h.p. Our series of slow-running four-cycle stationary and marine engines were eventually improved to reach an output of 6,400 h.p.

More familiar to the general public are vehicles built by KHD, including tractors, trucks, buses, fire engines, and locomotives. When we observed the centenary of the Humboldt works, we had full confidence in the continued healthy growth of the total enterprise.

I should like to mention here another, but very different event of the year 1956: the establishment of a golf course in Duisburg.

I had been able to persuade some golfing enthusiasts to build a golf course in the neighborhood of Duisburg with the object of enabling the leading men in the area—who just don't play football—to enjoy much needed physical exercise without having to travel far. It must be remembered that golf was not nearly so popular in Germany, particularly at that time, as it is in other (especially Anglo-Saxon) countries. Anyone who did not experience it can hardly imagine the bureaucratic

objections and obstacles we had to overcome before we could carry out this plan. Nevertheless, it finally became the first golf course to be established in the overpopulated area from north of Cologne to Osnabrück. In 1952 a founders' group for the golf club was formed; the participants showed so much interest and enterprise that we went to work full of hope, but it turned out to be an onerous chore—onerous particularly for me, as I was elected president at the first meeting.

On March 9, 1956, everything was ready so that we could finally dedicate what had turned out to be an unusually beautiful course. As president of the club I made a speech in which I recalled King James II of Scotland, who in 1457 forbade his soldiers to play golf because their enthusiasm for it had led to the neglect of their military exercises. I remarked, that golf was, therefore, an ancient sport and by no means a snobbish modern invention.

Early in 1957 I began to give a series of lectures on the problems of the "developing countries," a subject that occupied my attention for several years. Essentially the purpose of the lectures was to publicize the need for giving aid to the underdeveloped countries, as they were then still generally called. The German public had taken relatively little notice of this issue, which in the United States had been widely discussed since 1949 when President Truman initiated his "Point IV" program. In this respect Germany lagged considerably behind all the other Western countries, chiefly because the German people in the first decade of the postwar period were completely preoccupied with the very existence and reconstruction of their own country. They were, therefore, less inclined to take an interest in what was happening in distant parts of the globe, in the fact that a "third world" was taking shape, different from the East and from the West and threatened by social conflict and hunger. But the time had now come for the Federal Republic to participate actively in aiding the developing countries. In Bonn the bureaucrats were frequently still of the opinion that this was a matter best left to the private sector, but gradually political writers and the economic journals showed a growing interest in the subject, goaded also by increasingly urgent pressure from abroad.

The "1947 Society for Political Economy" in Frankfurt on Main also made this subject the chief item of its annual meeting early in 1957. The society's purpose was the propagation of economic and sociopolitical information. I had become a founding member at the request of Dr. Rudolf Mueller, a Frankfurt attorney and economic

consultant who deserves much credit for his many-sided contribution to Germany's recovery. I was one of the speakers at this annual meeting and subsequently discussed the question of the developing countries at similar meetings and in several articles.

In this connection I remember with particular pleasure a lecture I gave to members of a young executives' seminar that for some years had met regularly in Baden-Baden. In the course of the years these "dialogues," as they are generally called today, became a fruitful institution, and our firm has given the program regular and substantial moral and financial support. Because of its general importance I want to devote some space to it here.

At the beginning of the 1950s, leading men in industry began to become seriously concerned about the question of training a new generation of executives. In most of the important industrial countries of the free world, particularly the U.S., Great Britain, France, Italy, Belgium, and the Netherlands, institutions had been created for the systematic and scientific postgraduate training of business leaders. In the business schools of Harvard and Columbia universities special training programs and teaching procedures were developed. The German universities and research institutes, perhaps partly because of their isolation between 1933 and 1945, have so far shown little interest in this new field of education and research, which draws from a variety of disciplines and directs its intellectual efforts toward the needs of business leadership.

In Germany until recently, the only preparation needed for a career in commerce or industry was to serve a period of apprenticeship. Future executives often left school early, even before taking the final examination, and went to work in the business world. Among the older generation there are many examples of this even today. A man with special talents, of course, will always make his way whatever his training, and even if his formal schooling has been less than adequate. But, apart from such exceptional cases of outstanding talent, the usual schooling and commercial apprenticeship are no longer adequate. The demands made on men in leading positions in business have become too complex; the involvement of business with a variety of other aspects of human life, particularly with the general problems of government and administration, requires men with a wider outlook who are able to see beyond the limits of a financial balance sheet. Special knowledge in certain fields is certainly still useful, but even more important is a

broad basic training combined with individual ability, capacity for sound judgment, and intellectual flexibility.

In my opinion, in addition to commercial training, an academic preparation in science or technology—both particularly geared to such a widening of horizons—is today almost a prerequisite for the development of executives in our industrial enterprises. The subject chosen for study may be economics or industrial management, law, political science or history, technology or engineering. The particular choice seems to me less important than the training of the intellect that a university education is still best equipped to offer. Such study is certainly not time wasted, however understandable may be a man's desire to become independent as soon as possible.

But a good education and relevant knowledge alone are not enough to make a man effective as an executive in industry. It is necessary also, for example, to be familiar with the many technical aids that are available in business today; and much more important than an outsider might assume is the ability to deal with people and to choose the right kind of assistants. As for a skill of a more personal nature, I shall always be grateful to my father for insisting during my high school days that I learn shorthand even though, like other boys, I would have much preferred to be playing tennis or some other game. In the course of time my shorthand has improved to such an extent that I can read it now as easily as handwriting. Throughout my life it has been of tremendous help in my work. Anyone who does not know shorthand cannot imagine what he is missing.

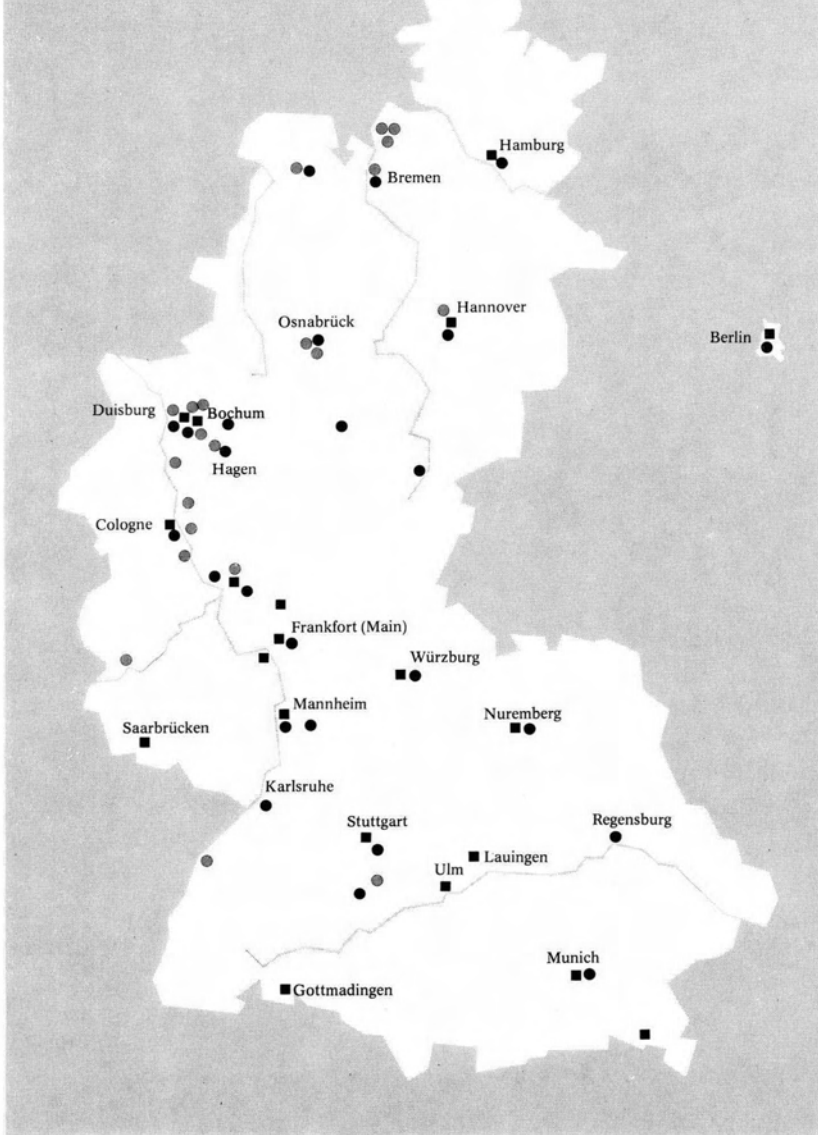
In the spring of 1957 I undertook my first extensive trip to Asia, accompanied by my wife and daughter. Our final destination was Japan. We traveled by air, needless to say, and after a brief stay in Karachi proceeded to New Delhi, the capital of India. Although I had had the opportunity to see quite a bit of the world, this first encounter with the completely different Asian way of life and thinking was a unique experience. I had several business discussions that had been arranged by our local representatives, and also visited a number of officials.

Prime Minister Nehru, whom I had come to know a little during a lecture meeting of our German Society for Foreign Affairs in Bonn, received me cordially. In an interview lasting more than an hour he showed much interest in the operations of the European Economic Community and particularly, although with some skepticism, in the



## KLÖCKNER IN THE GERMAN FEDERAL REPUBLIC

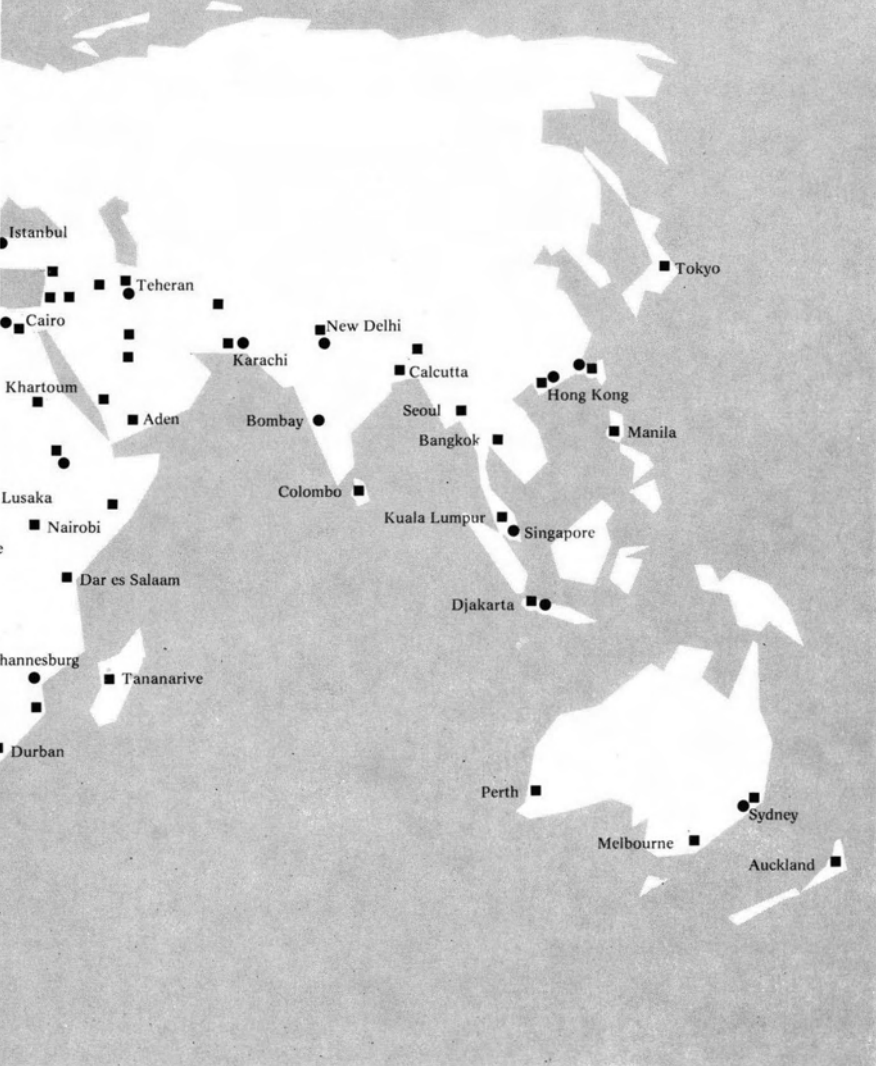
- KLÖCKNER & CO, DUISBURG  
over 150 branches and affiliated companies
- KLÖCKNER-WERKE AG, DUISBURG  
27 works and manufacturing plants
- KLÖCKNER-HUMBOLDT-DEUTZ AG, KÖLN  
over 30 branches and affiliated companies



# KLÖCKNER THROUGHOUT THE WORLD

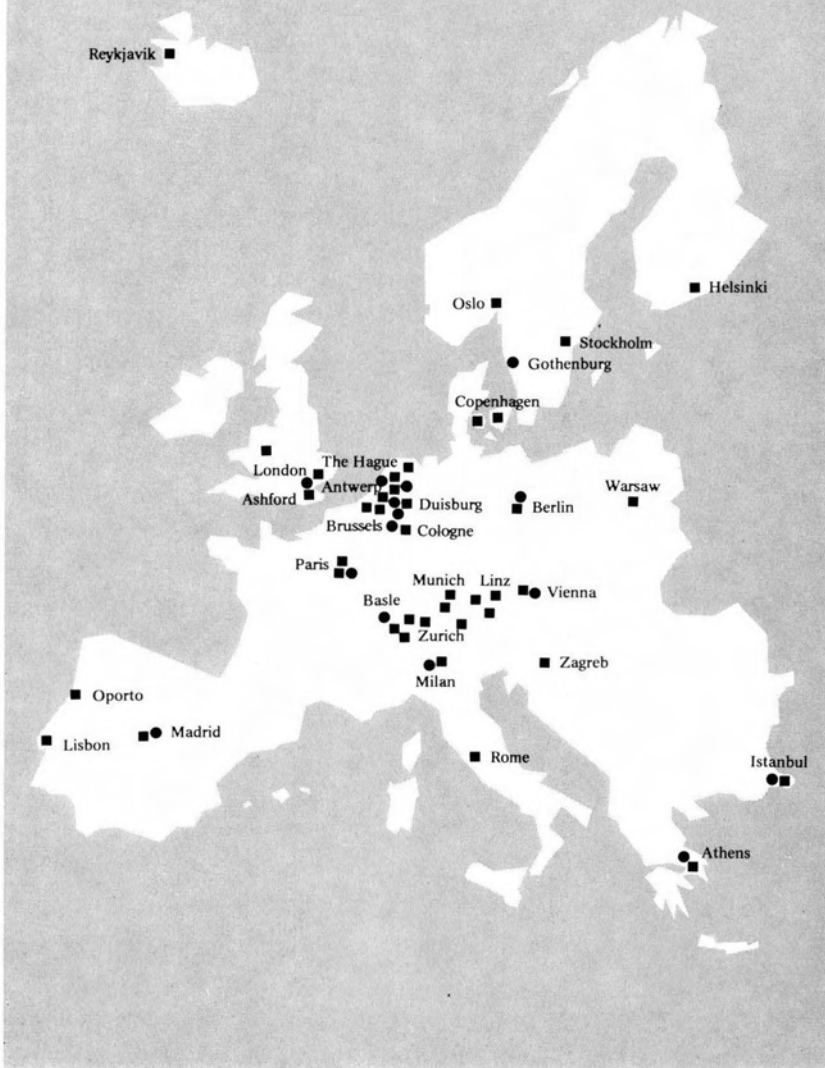


- KLÖCKNER & CO, DUISBURG  
over 250 local offices and agencies
- KLÖCKNER-HUMBOLDT-DEUTZ AG, KÖLN  
over 250 local offices and agencies



## KLÖCKNER IN EUROPE

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over 40 local offices and agencies
- KLÖCKNER-HUMBOLDT-DEUTZ AG, KÖLN  
over 80 local offices and agencies



funds set aside under the EEC treaty for the French colonies in North Africa. Nehru, in common with public opinion in most of the newly independent former colonial countries, observed that these funds smacked very much of support for French colonial politics. He thought it was regrettable that we Germans, who for decades had been fortunate enough not to be tainted by colonialism, were now slipping back. I replied that the aim of this policy was by no means to strengthen French colonial rule but, on the contrary, to help the colonies to prepare for their future sovereignty by furthering their basic development. My arguments, which were later borne out by events, seemed to make some impression on Nehru. While we were discussing this point he made notes. On another piece of paper he wrote down for us the important landmarks in Agra that he felt we should not miss. Our daughter has kept this piece of paper as an historic autograph.

Our journey continued from Agra to Benares, the Hindus' holy city on the Ganges, which is bound to inspire every visitor with feelings of sympathy and understanding for the Indian people and their reverence for their traditional rituals. At our last stop in India, the city of Calcutta with its millions of inhabitants, we were once more confronted with the poverty and misery of the masses who flock to the large urban centers. To witness misery on such a scale was a depressing experience and we admitted to a feeling of relief when we arrived in gay Thailand and then went on to Hong Kong.

In Tokyo, my next stop, as well as on my travels through other parts of Japan, I once again combined business with sightseeing, notably a visit to the old imperial city of Kyoto, the center of Japanese Buddhism, with its incomparably beautiful palaces, temples, and gardens. At the end of my stay in Tokyo I spent a last free hour strolling along the Ginza, the famous shopping street. On entering a large music store I soon found my way to the department for sheet music. When I asked whether Henle Editions were available, I was immediately shown a whole selection. I left with the feeling that here were people who knew their business!

On the return journey I made a side trip to Manila. Our Klöckner-Humboldt-Deutz AG had just built a cement plant of some size there, and we were in the midst of negotiating its expansion. The next stop was Singapore, from where we went to Ceylon, staying in the house of the hospitable German ambassador, Dr. Theo Auer, an old friend from my diplomatic days in London.

On an excursion of several days into the interior of this fairy-tale

island, we visited a large tea plantation that for generations had belonged to a resident English family. It was near the former capital of Kandy with its old Singhalese royal palace set in the midst of hill country covered with primeval forest. The owner of the plantation, who welcomed us most hospitably, told us that the plantation had been established by his grandfather and expanded by his father and later by himself. However, in view of present-day political conditions, he had no hope of being able to pass it on to his children.

On our way back to Colombo we passed a construction site off the road where an elephant was dragging huge tree trunks to a truck under the supervision of a Singhalese. We stopped in our car for a moment when a siren sounded, signaling the end of the work day. Without a moment's hesitation the elephant put down the tree he was carrying and made straight for home! Back in Colombo Dr. Auer took us to a reception given by the Ceylon government for the visiting Japanese Prime Minister. In a large park among luxuriant vegetation, exotic trees were dotted with innumerable colored lights—the sort of tropical magic garden one might have imagined as a child.

In the fall of 1957 I spent a week in London. As always, my stay in the British capital gave me the opportunity to see much that was interesting and to discuss important political questions with a number of British politicians and other prominent figures in public life. I was also a guest at Chatham House, the seat of the Royal Institute of International Affairs, which had served as one of the models for our German Society for Foreign Affairs in Bonn. I gave one lecture there on German foreign policy.

My visit to London coincided with important political developments. In March 1957 the six member nations of the European Coal and Steel Community had signed the treaties of Rome that created the European Economic Community and the European Community for Atomic Energy. These treaties were to become effective on January 1, 1958. Just as I arrived in London, Moscow startled the world with the news that the first earth satellite, Sputnik I, had been launched successfully. One month later it was followed by Sputnik II. These two events created a somewhat somber mood in the Western world, particularly in the United States, while Khrushchev took the opportunity to declare, somewhat prematurely, that war planes could now be relegated to museums.

On my return I wrote the following letter to Chancellor Adenauer telling him of the impressions I had gained in London:

There were two points which came up repeatedly in our discussions which I want to draw briefly to your attention because they may have some bearing on our foreign policy.

First, I was struck by the degree to which the still unresolved question of a European free market continues to cause concern and worry in London. The British had believed that they had found a way that would bring British interests into harmony with the creation of a Common Market, but now they find themselves up against a wall of obstacles and objections which, as is well known in London, are chiefly of French origin. An understanding is much desired because it is feared that England will otherwise be left out in the cold while a fundamental change in economic conditions is taking place on the continent. I pointed out repeatedly to the people with whom I talked that the Common Market is by no means intended to be an exclusive club but rather a crystallizing point. Nevertheless, I have the impression that it would be well if we on our part were to be more helpful to the British. Perhaps we should, if necessary together with Belgium, assume the role of honest broker doing what we can to reconcile the differences between the British and the French. I think that such an effort would be worthwhile notwithstanding the well-known French inclination to sell everything dearly.

A second point that struck me was that in several conversations (particularly in the discussion following my address at Chatham House), there was an almost tangible uneasiness at the news that Germany was about to adopt a more active Eastern policy. Our newspapers, as you know, have managed to create quite a noise on this subject. In any event I always emphasized in my response that I was convinced that no change in our attitude towards the East was planned but that we were only exploring what, if any, consequences would be in store for us as a result of political developments. Whatever changes might result, they would certainly be considered most carefully and would under no circumstances lead to spectacular actions.

The second point in this letter is in retrospect not uninteresting, since subsequently the Western nations on their part have accused Bonn of being too inflexible in its Eastern policy.

Just before I sent him this letter, Chancellor Adenauer had won his greatest victory at the polls: the September election of 1957 which resulted in an absolute majority for the CDU/CSU in the new Bunde-

stag. The stability of the Federal Republic's domestic and foreign policies was, therefore, assured for the time being, and their conduct continued to be in firm hands.

Insofar as my personal activities were concerned, the number of events I attended (apart from my main responsibilities in industry) increased, if anything. Among the most enjoyable events were the meetings of the Fondation Européenne de la Culture, which had been founded by Prince Bernhard of the Netherlands. They involved no special work, but the occasional trips of several days meant that I was pressed for time even more than normally. The new cultural foundation was baptized, so to speak, at a festive gathering in Amsterdam which my wife and I attended and which was honored by the presence of the Queen of the Netherlands and Dr. Adenauer. These were stimulating days in the Dutch capital, crowned by a reception given by the Queen at the royal palace in Amsterdam for the members of the foundation.

Here I want to recount an episode, closely connected with the Netherlands, that was of decisive, even vital, importance to the house of Klöckner, not only for the family but for the entire enterprise.

As has already been mentioned, by far the most important holding in the Klöckner group of companies is the parent firm of Klöckner and Co. in Duisburg, which is entirely privately owned. In addition to being an international trading firm, it has always also functioned as a holding company (though not the only one) for the other Klöckner companies. During the years after the First World War when the Communist danger assumed increasingly more threatening forms and made a veritable witches' cauldron of the Ruhr region, Peter Klöckner transferred a considerable part of his Klöckner-Werke shares to the Dutch firm (mentioned earlier) that he also owned, a transaction which at that time, when there were no foreign currency restrictions, could be accomplished without difficulty. The occupation of the Rhineland as provided for by the Treaty of Versailles and the Separatist movement were further reasons for taking this protective step.

During the following decades the assets deposited in Holland increased considerably in value, in keeping with the growth of the Klöckner-Werke under the gifted leadership of its founder. But at the same time, as every tax expert knows, they were, so to speak, frozen, because of the ever-widening gap between their book value and their



market value. In addition, the world economic crisis at the beginning of the thirties completely paralyzed all international transfers of capital. Repatriation of these assets became impossible.

There was another reason why the value of the Klöckner-Werke stocks later rose so substantially; all the stock we owned in the Klöckner-Humboldt-Deutz AG in Cologne, one of the largest machine and engine building concerns in Europe, was transferred to the Klöckner-Werke AG which, in addition to being a manufacturing firm, also became a holding company. More than 30 per cent of the capital of the Klöckner-Werke, thus augmented, was in the hands of the Klöckner-owned Dutch firm by the end of the Second World War. The larger part remained as before with Klöckner and Co. in Duisburg, but it had to be drawn on for the payment of estate taxes at the death of Peter Klöckner and later of his wife. The family control of the Klöckner-Werke and of the Klöckner-Humboldt-Deutz AG depended, therefore, to a decisive degree on our holdings in Holland.

When the war was over and lost, all German private assets, according to age-old custom, were confiscated without compensation by the victors. It can easily be imagined that this was a severe blow for Klöckner. Our domestic assets, apart from the extensive war damage to our plant and equipment, had remained intact and consisted chiefly of the firm of Klöckner and Co. and the interests it held. What was to become of the Dutch interest in the Klöckner-Werke, however, was another question.

Shortly after the war we made an attempt to get in touch with the Dutch authorities and eventually were able to establish contacts, at first without concrete results. At the beginning of the fifties, however, a formal meeting with a representative of the Dutch government could be arranged, and to our pleasant surprise we found that they were ready to enter into serious negotiations on the adjustment of the ownership of the Klöckner assets in Holland. These negotiations, which obviously dealt with complex questions and their ramifications, continued over several years. They were conducted on behalf of the Dutch government by Jacob Kraayenhof, one of the country's most respected public accountants. While he naturally did his utmost to safeguard the interests of his employer, we found ourselves negotiating with a highly intelligent and imaginative man, who possessed great objectivity, personal dignity and absolute integrity.

Eventually an understanding was reached. Under a comprehensive settlement the Klöckner assets in Holland—besides the extensive stock

holdings there was also a leading Dutch steel warehousing company with its own, though less important, interests—were vested in a new firm of which all the property rights were then transferred to a foundation. This foundation was to serve both the interests of the descendants of Peter Klöckner and his wife, and those of the Dutch government, which wanted the assets to remain in Holland to foster and deepen economic relations between our two countries. This arrangement continues to be beneficial in every respect for the descendants of the former owner, and the obligation to leave these assets in Holland is one with which we gladly comply.

Since this agreement became effective we have worked in a close and friendly relationship with some of the leading men in Holland, whose advice and assistance have always been freely given to us. I want to mention one institution in particular, the leading Dutch private bank, Hope and Co. (now Mees and Hope) in Amsterdam, which my friend Robert Pferdenges recommended to us. A representative of this house, Jonkheer Eric Willem Röell, has proven to be one of the most honorable and knowledgeable bankers that one could hope to find.

The full significance of this transaction has only been hinted at here. I think it was the most important transaction for the Klöckner group since the end of the war, and I am happy that it took place during the time when I had the privilege of being at the head of the firm. In a world that during the war and the postwar period has often unscrupulously disregarded all respect for international law, the Netherlands, in arriving at this wise and generous solution, has shown itself to be worthy of its great son Hugo Grotius, the champion of modern international law.

I cannot take leave of the year 1957 without recording that, thanks to the lifting of the Allied ban that had been imposed in connection with the deconcentration program, I was able to resume my chairmanship of the board of directors of the Klöckner-Werke AG. It was a point in time that promised well for this enterprise and its future development, because the new Klöckner steel mill in Bremen was almost completed and was able to start operations.

This plant in Bremen was the first integrated steel mill to be built in the Federal Republic since 1945 (from the ground up, so to speak); in addition, it is the only German plant of its kind near the sea. The board of directors and management of the Klöckner-Werke AG had decided upon this project in the fall of 1954. Peter Klöckner had al-

ready considered closing the gap that had occurred in his industrial group at the end of World War I with the loss of the Kneuttingen works in Lorraine; he had thought of building a new steel mill in the Ruhr region near Rauxel, close to his Victor-Ickern coal mines. His plans foundered, however, in the world economic crisis of 1929. We in Duisburg took up this old idea again in 1952 when the end of the deconcentration process was in sight, and the limited space and antiquated equipment of the Hagen-Haspe works seemed to make the construction of a modern plant desirable.

One of the most difficult problems was where to locate the new plant. As the works in and near Osnabrück and Haspe had no access to river traffic, we wanted to find a "wet" site for the new plant in order to make raw material more accessible. At first we thought of the city of Wesel, where the Rhine would be available, but when, for a number of reasons, this turned out not to be feasible, we considered a foreign location, the port of Vitoria in Brazil, which was suitable because of the nearby ore deposits and the easily accessible coal supply. But this plan, too, was abandoned. Finally we decided on Bremen, where we were able to buy the land and what was left, after Allied dismantling, of the plant of the former Norddeutsche Hütte, and where the senate of this Hanseatic city proved most cooperative.

This gave us a location close to the open sea, and later an added facility in the "Weserport" near Bremerhaven, an unloading port for large cargo vessels, which permitted us to unload raw materials from overseas within a short distance from our works. The design of the plant is such that it can be expanded to accommodate, at the present-day level of technology, an annual production of more than seven million tons of ingot steel, a sufficient quantity for all conceivable future developments. For the export of steel, too, the situation near so large a port as Bremen was advantageous. Still another consideration that influenced us to choose the location was that, because some installations of the Norddeutsche Hütte still remained, the capital investment would be well below what would otherwise be necessary for a new steel works. The total expenditure worked out, between 1954 and the end of 1969, to approximately 1.1 billion Deutsch marks.

If, unlike our more fortunate business friends in the United States, one does not have ready access to many millions of dollars, a modern steel works must be constructed in stages. What was ready in 1957 when operations commenced at Bremen was the Siemens-Martin steel plant with three furnaces and the corresponding installations for the

production of rolled steel. At the beginning of 1958, the hot wide-strip mill was completed; in 1959 the first blast furnace was ready, followed by the further expansion of the hot rolling mill and the cold rolling facilities (with a tandem cold rolling mill), while the number of furnaces in the Siemens-Martin plant was increased to six. A second and considerably larger blast furnace, which was blown in in 1966, as well as an oxygen steel plant and an ore-crushing and sintering plant completed in the meantime, served to rationalize pig iron and ingot steel production. A further capital investment program requiring more than a billion marks is meanwhile being carried out to construct the most modern type of fully continuous hot wide-strip mill, another large blast furnace, the expansion of the oxygen steel plant, and a continuous casting installation, to mention only the most important parts.

The Klöckner steel works in Bremen, still capable of further expansion, are certainly among the most modern works of their kind in the Federal Republic and in all Europe, modern particularly in their overall concept and potential for further development. (The wealth of experience made available to us in this project by an important American firm and a large Japanese steel works, because of long-standing friendships, is gratefully acknowledged.) The base production load up to and including the hot wide-strip mill has been secured by a friendly agreement with the Flick group. The production program of the new plant is, for the time being, devoted exclusively to flat steel production, which is assuming an increasingly dominant position in rolled steel making but has hitherto rather lagged behind in our organization.

Occasionally the criticism is made that the erection of new metallurgical works, or the modernization of existing ones, leads to an unnecessary expansion of the German steel industry which, as it is, suffers from overcapacity. This is not a valid criticism. Overcapacity in steel is by no means a phenomenon confined to Germany; an increasing imbalance of supply and demand has made itself felt in the world steel market since the beginning of the sixties. World ingot steel production rose by 61 per cent from 1959 to 1967, and that trend is continuing. The German steel industry did not take part in this race, but was in fact overtaken by Japan in the middle of the sixties and now holds fourth, rather than third, place in world steel production. The new plants that our industry built did not in the main serve to increase production, but to rationalize it from the technical viewpoint. If capacity was increased, it was an inevitable by-product of technological

progress. In addition it must be remembered that as competition grows more fierce, only large and really modern plants can stay in the race. The Klöckner-Werke in particular proceeded very cautiously in planning the new capital investment projects for steel production. The construction of new works is accompanied by the closing of antiquated plant so that, on balance, capacity does not grow in proportion as new works come into being.

The steel industry cannot, of course, forgo fresh investments if its further development is not to be arrested completely, since this would mean in fact going backwards. Unlike a belt that one can tighten today and loosen tomorrow, production capacities cannot be so finely adjusted to market conditions that there is never an oversupply and yet always enough on hand to profit fully from an increase in demand. In any event, there are many reasons why the Federal Republic cannot dispense with letting domestic requirements of rolled steel be met, to a very large degree, by domestic production; and this production must be able to compete on the world market. Any other course of action would, if nothing else, create an intolerable strain on our balance of payments.

In terms of the Klöckner-Werke as a whole, the construction of the Bremen works in no way meant that other production plants were being neglected. Fresh capital investments were currently made for them, apart altogether from the capital investments made in the field of coal and nonmetallic minerals. From the end of the deconcentration until 1969, about 660 million DM (since the end of the war, more than 700 million DM) were invested in the plants of Georgsmarienhütte, Haspe, Osnabrück, Troisdorf and Düsseldorf, and in our later acquisition, the Drahtwerke Süd wire works in Kehl and Göppingen. In the future, matters to which special attention will be devoted are the increase in alloy and rolled steel production, and the expansion of the ore unloading port at Weserport. To go into further details would take up too much space here.

I must also mention that we also were able to build an important new plant near our coal mines in Castrop-Rauxel. In 1951 a joint Mining and Electricity Association had been formed in Essen, enabling the mines to produce electricity not only for their own use but also for public consumption. The Klöckner-Werke, seeking new coal consumers, undertook the construction of a large electric power plant in Rauxel. Over the years this power plant was expanded to a production capacity of 300,000 kilowatts. It can be expanded still further.

Apart from supplying our own mines, whose equipment and capital was later transferred to the Ruhrkohle AG (about which more later), and the heating plants of public buildings, our power plant feeds the network of the Vereinigte Elektrizitätswerke Westfalen AG (United Electricity Works of Westphalia) to which it is connected, thus ensuring a major consumer for our coal mines. The first stage in construction was finished in time to meet the acute crisis in coal sales in 1958.

Apart from this, we have stressed the greatest possible centralization of production in our mines. Both in the Victor-Ickern mines and in Königsborn, central mining shafts were erected, leading to significant economies in the Klöckner mining operations.

The building of the power station at Rauxel was by no means the only step the Klöckner-Werke took in the expansion of their activities beyond the traditional sphere of coal, steel and steel processing. There was all the more reason to look further because, as already described, the Klöckner-Humboldt-Deutz AG, by far the largest and most important manufacturing enterprise of our group, had been split off and made completely independent in the course of deconcentration. Without this compulsory measure, the brainchild of the victorious powers, we could have continued the particularly fruitful relationship between production and manufacture that had become so well established in the realm of the Klöckner-Werke. In the interest of "diversification" (an English term that has become fashionable in Germany), we initiated the manufacture of products of the most varied kind, among them those that could be substituted in some uses of processed steel, or that would open up new fields for the use of steel itself. As early as 1955 we founded the Klöckner Ferromatik GmbH in Castrop-Rauxel, producing hydraulic self-advancing roof supports for the mining industry that have won an international reputation. This plant has also begun the manufacture of fiberglass-reinforced high-pressure pipes. Similarly, our plant in Osnabrück is undertaking the manufacture of prefabricated steel sections and of large-scale containers made of fiberglass-reinforced plastics.

For a considerable time the processing of minerals and clays has been another of Klöckner's manufacturing ventures, represented by the established Rhenish Fire Clay and Dinas Brick Works in Bad Godesberg-Mehlem, the Brick and Concrete Corporation in Castrop-Rauxel, and the Piesberger quarries. We expanded and strengthened this branch of our business by founding the Klöckner-Durilit GmbH in Osnabrück, which also manufactures fiberglass-reinforced concrete

casings. When the glass works of Schott and Associates in Jena obtained an interest in the Klöckner-Schott Glasfaser [fiberglass] GmbH in Dortmund, the production of fiberglass itself was also incorporated into our manufacturing program. In the field of plastics, the Klöckner-Pentaplast GmbH was founded in 1966 in Montabaur for the manufacture of metal foil, used mainly in the container industry.

While 10 per cent of the Klöckner-Werke's total turnover is accounted for by products other than steel and coal, it has been possible to organize the processing plants in such a manner that 40 per cent of their total turnover is accounted for by production other than raw steel.

Since the conclusion of the deconcentration process, satisfactory progress has been made with the overall organizational structure of the Klöckner-Werke, and we have succeeded in ridding ourselves of some of the shackles remaining from that period. In the course of time we were able to reestablish our former close ties with the Königsborn-Werne coal mines, though only through some very complicated procedures. Eventually, in 1965, it was possible to unite all the mine properties of the Klöckner-Werke in a single coal mining subsidiary. More important, our shareholders' meeting in 1954 was able to restore to our enterprise the old and internationally known name, "Klöckner-Werke AG." At the same time it revoked most of the special regulations that the "deconcentrators" had added to the corporation statutes and that had hampered our growth and development; it also reinstated bearer shares for the registered shares introduced by the Allies. All this was possible despite the fact that the deconcentration officials had made revisions of the statutes particularly difficult. All these decisions were made unanimously at the shareholders' meeting.

In the fall of 1958 I took part in an international meeting of some importance, the annual meeting, in New Delhi, of the World Bank, the International Monetary Fund, and the International Finance Corporation. In the early summer of 1959 I attended the Atlantic Congress arranged by the NATO Parliamentarians' Conference in London, which had been preceded by two preliminary meetings in Paris.

A panel discussion, in which I was to take part, was among the items on the program of the annual meeting of the three Bretton Woods Institutes—so called after the American meeting place of the 44-nation conference that in 1944 created the World Bank and the International Monetary Fund, joined in 1957 by the International Finance Corporation. The panel, consisting of five industrialists, each representing one

country (the United States, Great Britain, the German Federal Republic, Brazil, and India), was to deal with questions of economic cooperation between the great industrial nations and the developing countries. These Bretton Woods Institutes hold their annual meetings in Washington, D.C., for two successive years, and choose another place for the third year. New Delhi had been selected for 1958 in the hope of encouraging participation by the leaders of the developing countries. There were hopes also of demonstrating effectively to Indians and representatives of other nations—delegations from more than sixty countries were expected—that Western industrialists were by no means the fraudulent exploiters that even the leaders of these young nations believed them to be, a belief probably based on experience with some of their own traders.

Attendance at the congress was most satisfactory. Of more than 400 delegation members who gathered in New Delhi, 150 came from countries in Asia and Africa and about 75 from South and Central America, but there were no representatives from the Eastern bloc. The congress became a true meeting place of the free Western world and the developing countries. In an impressive opening speech, Nehru observed that the real division in the world of today was not between the Communist and non-Communist nations, but between the developed and not yet developed countries. Asia, he said, was in an explosive state, refusing to be a starving continent any longer. The rest of the world would not be able to prosper unless it raised the underdeveloped countries to its level. Such language could hardly be misunderstood.

The congress met in a gigantic new building in New Delhi, with an assembly hall reminiscent of a large opera house. Each participant had a microphone in front of him, but as he could speak into it only while seated, one could not readily tell who was speaking. At the opening session someone spoke in English but the voice had an unmistakable Bavarian tone. Automatically I thought, "That man speaks English with a Bavarian accent." The speaker was indeed a Bavarian, none other, in fact, than our Minister of Economics, Ludwig Erhard. Of all the participants he, incidentally, attracted the most public attention, particularly from the journalists and news photographers. He was indefatigable in holding individual discussions and meeting people outside the assembly hall. Some of the most important work of the congress was transacted informally in private rooms, over lunch, at cocktail parties and social affairs in the evening. Many finance min-



isters, bank presidents, and other leading personalities were present, and discussions were often on a high level.

All this, however, was not enough for Professor Erhard. On an excursion into the countryside he asked a magician to explain his tricks (naturally on payment of considerable baksheesh), undoubtedly so that he could display them to his colleagues in the German cabinet. In one of his conversations with Nehru, Erhard suggested that something should be done to prevent cows and monkeys, considered holy in India, from consuming food that could feed the starving population. Nehru replied that he had once suggested this himself but had met with such an outraged reaction that he did not dare to make the proposal a second time.

Among prominent Indians, aside from Prime Minister Nehru, I want to mention particularly Finance Minister Desai, at that time considered a likely successor to Nehru. I had already met this highly cultivated man on my first visit to India. Through a personal contact I had been able to get an appointment with him on the very day of our arrival, and he received us (my wife, my daughter and myself) at 8:00 A.M. in his apartment. A disciple of Gandhi, he had the reputation of being a philosopher. He was respected as incorruptible, devoutly religious and of Spartan simplicity in his personal life; he was also a vegetarian and did not touch alcohol. Whenever he could, he introduced laws prohibiting the consumption of alcohol. Having heard all this about him, I was not surprised that at our first meeting our conversation did not concern finance or economics but rather philosophical questions concerning such matters as human behavior and passive resistance. It was said that it was Desai's custom to do this in order to learn the way of thinking of the man he was dealing with. When I met with him again a few days later in his office, our discussion confined itself strictly to business matters and industrial problems. Space does not permit me to list all the other noteworthy men participating in the congress of the World Bank, but I want to mention at least the presidents of the three international institutes in Washington, Eugene Black, Per Jacobsson and Robert L. Garner, because all three proved to be particularly far-sighted men who had a profound knowledge of international economics and finance.

As the German representative on the discussion panel, I had been assigned the theme "The Climate for Private Enterprise." In my remarks, which the *Frankfurter Allgemeine Zeitung* printed as the lead article in its economic section the next day, I pointed out that every

developmental process involves difficulties because of the inevitable changes it brings about in the social structure. It is, therefore, important that timely preparations be made for social and political adaptation to the new conditions brought about by such development. The investment of private foreign capital is made difficult by the dangers that arise too readily from this same process of development, namely an inflationary devaluation of money, excessive taxation, high tariffs and overly rigid measures to protect the labor market—all measures that tend to imperil the success of a progressive industrial development. I then dealt with the belief, so often encountered in the developing countries, that private enterprise aims solely at profits based on exploitation. I continued with the following explanation:

Business enterprises are by their very nature not public services, but living economic institutions, that is, a human activity geared to producing and selling goods under conditions that will ensure a gain. This is true of all economic activity. The really important question is: who are the people who will benefit from this economic process? Profit is an increase in wealth that is distributed to each one who participates in any particular economic endeavor. The chief beneficiary is, first of all, the overall economy of a country in which such individual economic processes take place, which means the total population. Every investment that a business enterprise makes stimulates the economy of the country and provides its population with goods that until then were not available or only available at higher prices. It creates opportunities for work and, with it, opportunities for earning money. A profit is made not only by the producer but also by every consumer. Every business enterprise needs to find partners in other countries, not in order to profit *from* them but in order to make a profit together *with* them, and in this manner to raise the general well-being of the community and of the individual. The idea, therefore, that only the business man makes a profit is a fairy tale. . . . Looked at soberly, and I hope, dispassionately, this is the nature of the problem of achieving financial gain. Of course, it contains possibilities for abuse, and it would certainly be an exaggeration to maintain that all the large private enterprises in the free world are everywhere and in all circumstances exemplary adherents to a code of honor. But, on the other hand, the distorted picture of the modern capitalist as someone who is only out to swindle and exploit his customers is nothing but a distortion.

I have taken the liberty of quoting these remarks because, while they were intended to clarify the situation for my listeners from the developing countries, they seem to me to have a more universal appli-

cation. In our country, too, there are many—even people who consider themselves progressive—who believe that making a profit is essentially immoral. There is an idealized notion that somehow a form of “profitless prosperity” is possible. Of course it is possible to take certain essential branches of the economy out of the hands of private enterprise, but its place must necessarily be taken either by a public institution or by the state itself (as, for example, in the Soviet Union). They, just as the private business man, must be equally intent on making a profit.

The meeting in New Delhi did not come to any sensational conclusions, nor had any been anticipated. The whole event was rather a large-scale effort to clarify problems and achieve a better mutual understanding, and in this it achieved a certain amount of success. It also became apparent that, once the existing prejudices had been overcome, the developing countries were quite eager to have Western businesses make direct investments. At any rate, that was the impression with which I returned home from India, after a brief visit in Teheran and Isfahan on the return trip.

At the end of 1958, storm warnings for the Federal Republic appeared on the international horizon in the form of Khrushchev's Berlin ultimatum. The Soviet Union demanded that West Berlin be made a “free city” within a period of six months or else the Soviet Union would take unilateral measures. Moscow thus turned the table on the West. In response to the constant urging of the Western Allies to discuss the settlement of the German question, the Soviet Union now denounced the Western powers as disturbers of the peace and violators of agreements, against whom countermeasures had to be taken. While until now the Western powers, and Bonn in particular, had been asking themselves how the question of Germany's reunification could best be approached, they now found themselves in a position of having to defend the status quo.

Policy makers in the West, especially in Bonn, have been frequently accused of having obstructed a solution to the problem of German reunification when it could still have been obtained on a reasonable basis. It was said again and again that the policies of Adenauer and the CDU in the first half of the 1950s missed opportunities for reunification, and that since then the price to be paid had risen steadily and the possibility of reunification had become increasingly remote.

To what extent is this criticism justified? Free elections in Germany and German reunification were objects of negotiation during the 1950s

between the Western powers and the Soviet Union. Moscow's note of March 10, 1952, did indeed propose free elections in the whole of Germany, but only if the other proposals contained in the note were accepted. The salient point of the ensuing dispute was whether or not the Soviet proposals were acceptable in toto. These proposals not only demanded the renunciation of the entire former German region east of the Oder-Neisse line, but also Germany's renunciation of the treaties it had entered into with the Western powers to ensure protection. The condition that Germany be prohibited from entering coalitions or military alliances would have amounted in practice to a completely unprotected, forced neutralization, thwarting any move toward a European union. Another condition required that all anti-Communist organizations be prohibited in the whole of Germany, by its very nature a most problematical demand, of which the long-range effects were impossible to estimate. And finally, the proposal for "free" elections itself remained most questionable as long as Moscow would give no explicit assurances that this concept was not to be interpreted in the well-known totalitarian sense. If such elections were to be modeled on those that had led to the bolshevization of the East European states, they would become the very means of furthering Communist domination also in the Federal Republic.

There can be no doubt why Moscow made these proposals in 1952. They were clearly an attempt to prevent the establishment of the European Defense Community. When the repeated exchange of notes, which went on for several months, eventually came to an end, no further Soviet "peace offensive" was necessary because it had in the meantime become most doubtful that the French parliament would ratify the European Defense Community treaty.

After Stalin's death in March 1953, the Western powers in July took the initiative in inviting Moscow to a conference on Germany and Austria. After much backing and filling, such a conference eventually took place in Berlin at the beginning of 1954. Molotov presented a new edition of the Russian note of March 1952, to which had now been added the further proposal that the government of a reunited Germany be composed of representatives from both Bonn and Pankow (the seat of the East German government). Moscow was again successful in its strategy, for by the summer of 1954 the French National Assembly had finally rejected the European Defense Community. The West was left empty-handed.

In the next phase of this diplomatic and propaganda battle over Germany, Moscow's goal was to prevent the Federal Republic from joining the North Atlantic Treaty Organization that was being urged with unflagging determination by the British Foreign Secretary, Anthony Eden, with the effective support of John Foster Dulles. The Soviet Union almost won this game, too. With 280 votes against 259 the French National Assembly at 4:00 A.M. on December 24, 1954, rejected the admission of the Federal Republic to the Brussels pact, which was about to be transformed into the West European Union, thus implicitly rejecting also the rearmament of Germany. It was only thanks to the skillful tactics of French Prime Minister Mendès-France that a few days later, by a small majority, the same assembly approved the admission of the Federal Republic to NATO and the Brussels pact. The French National Assembly greeted the results of the vote with icy silence.

At the Geneva summit conference in the summer of 1955, the German question again became the center of discussion. The Soviet Union had in the meantime adopted the thesis that the settlement of the German question was "indissolubly tied" to the security of Europe as a whole. However, when it was decided, as a guiding principle at the summit conference, to consider the proposed security pact for Europe and to bring about free elections leading to the reunification of Germany, Bulganin, the Soviet chief of state, immediately declared that the Paris agreements (by which he meant the admission of the Federal Republic to NATO) had put the whole idea of an "automatic" reunification of the two Germanies on a different basis, and that now the German problem could only be discussed with the participation of representatives of both German governments. This conference, therefore, was completely without results. At whatever cost, Moscow was unwilling to see the continuation of the Communist regime it had created under Walter Ulbricht threatened by free German elections.

Thus the second major attempt to solve the German question had also foundered. Moreover, the Soviet Union had no further interest in such attempts, as in May 1955, the Federal Republic had joined NATO. The failure of the foreign ministers' conference in Geneva in the fall of 1955 put an end to this chapter of fruitless international negotiations.

One would have to recall all the details of these events in order to answer the question whether German foreign policy during the first

half of the 1950s missed opportunities for reunification. Such opportunities were always conditional on meeting Moscow's demands. On the German side, reunification, however desirable, was inseparable from one basic prerequisite: it was only acceptable "in freedom," that is, under conditions that would jeopardize neither the freedom nor the military security of the Federal Republic and would also bring freedom to the other part of Germany.

Surely no one can seriously maintain that the Soviet proposals of the first half of the 1950s met these conditions. On the contrary, they were obviously intended to limit Germany's freedom as much as possible and to pave the way for the spread of communism in the whole of Germany. If the Federal Republic had at that time advocated the acceptance of the Soviet conditions, it would not only have endangered its freedom and security but would also have alienated the free Western world on which it was largely dependent.

With his 1958 Berlin ultimatum, Khrushchev put an end to the pause that had ensued in the struggle over the question of German reunification. This Soviet diplomatic offensive had kept the world in suspense for years. Khrushchev, however, shied away from following his threats with deeds, and avoided a direct challenge to the rights of the Western powers in West Berlin. In the course of time he had to realize, of course, that mere threats would not bring him closer to his goal. The situation deteriorated again when the Berlin Wall was erected in August 1961. The Berlin problem lost its threatening character only with the resolution of the Cuba crisis in the fall of 1962, and gradually became merely a question of maintaining the status quo.

This dispute over the problem of Berlin during the late fifties and early sixties was an important chapter within the wider framework of the German question, especially with respect to the struggle over ending the partition of Germany. Even though the Federal Republic and the Western powers made no tangible progress in this direction, the negative results of Khrushchev's diplomatic offensive, which was intended to change the status quo in favor of the Soviet Union, showed that Russia, too, had to accept the failure of its attempts.

At this point there is no knowing when the political situation will be such that Moscow will agree to a serious resumption of negotiations on Germany. For the time being, Moscow has reverted to the point of view that, according to an American press report, Khrushchev expressed in his characteristic manner to French Foreign Minister Pineau in 1956: "You keep your Germans, and we'll keep ours." The

Soviet Union in Germany is in the position of possessing a militarily important bastion far from its own borders. It believes that it is holding a valuable pawn in the form of the East German regime, which is dependent on it and which it has no reason to surrender, especially since yielding on this question would mean the abandonment of Communist doctrines. The Soviet Union will hardly change its German policy for the sake of the right of self-determination—a right that it does not even grant to its own subjects and that it ruthlessly violated in Hungary in 1956 and later in Czechoslovakia. Under present circumstances it can hardly see any reason to change its policy, especially since the increasing tension in the relationship with China makes it advisable for the Soviet Union to avoid the disputes in Europe that a change in the status quo would necessarily entail. In addition, Moscow obviously believes that it can successfully fend off the pressures for a solution of the German question by representing reunification as a German militarist-revanchist threat to peace. Moscow assumes that in view of other, more pressing problems, the Western powers will lose interest in a speedy solution of the German problem and will be glad to postpone it time and again—a possibility that cannot be dismissed out of hand.

To harbor any illusions regarding Moscow's position, however, would be just as erroneous as to relegate faith in the possibility of German reunification to the realm of fantasy. To be sure, the solution of the German question, which is bound to come some day, presupposes a reconciliation with the East. However, conditions have so far not been ripe for this development, nor are they today. In historical developments of this kind, abrupt changes are rare, but, on the other hand, history never stands still. What is required above all is that the German people never lose sight of the goal of reunification, and never cease to do everything in their power to reach it. It follows, therefore, that no government is more interested in a genuine *détente* between East and West (the prerequisite for German reunification) than the German Federal Republic. There can be no solution unless the entire West, not least the United States, offers us the continued political and moral support that we so urgently need. Finally, the solution of the German question demands a quality that is an essential art in politics: patience.

In February 1959 I celebrated my sixtieth birthday, a somewhat dubious pleasure. The many congratulations I received reconciled me

somewhat to the fact that I had now entered the period of old age, regardless of whether the burden of the years sat heavily or lightly on my shoulders. I also drew some consolation from Anatole France's observation that one need not rail against aging, because it is, after all, the only way of living to a ripe old age. The composer Carl Maria von Weber also said it in different words: "Getting old is the only way of living long!" Speaking for myself, my activities did not, for the time being, permit me to enter into the *rallentando* that is so rightly recommended for this point in a man's life.

In mid-1959 the Atlantic Congress took place in London. As was mentioned before, it was preceded by two preliminary meetings in Paris the year before, at which its general direction and the agenda were determined. The purpose of the congress was to induce the governments of the NATO countries to enter more actively into political and economic collaboration. Shortly before these preparatory meetings in Paris, General de Gaulle had once again taken over the government. However, this event did not have much of an impact on international relations, since, for the time being, the General had his hands full with the Algerian question. But Khrushchev's ultimatum on the Berlin question in November 1958 had been a storm signal for the whole NATO region, so that the congress in London met in an atmosphere of much tension.

In June 1959, more than a hundred delegates from all the NATO countries—parliamentarians, industrialists, scientists and others—attended the solemn opening ceremony of the congress in venerable Westminster Hall in London in the presence of the Queen. In the evening the British Foreign Secretary gave a reception at Lancaster House. Another festive event of the congress was a reception held in the Guildhall by the Lord Mayor of London. For almost a week the participants were busy attending plenary sessions and committee meetings. I was assigned to the Congress Declaration Committee, where I did my best to contribute to the clear and effective formulation of the delegates' final resolution, the purpose of which was to express the desire that efforts be increased to shape the NATO partnership into an Atlantic community, a goal on which all participants of the congress more or less agreed.

Unfortunately, the congress did not find the echo in the international press that its organizers had hoped for. This was chiefly due to the fact that the foreign ministers' conference in Geneva between the Soviet Union and the Western powers was taking place at the same time. This



conference, convened to discuss the German question and the Berlin problem, and with representatives from the German Federal Republic and the Eastern Zone relegated to side tables, reached its inevitable crisis and ended in complete failure—obviously a much more important international news item than the well-meant resolutions passed in London.

Dr. Adenauer also involuntarily saw to it that political conversations and news reports focused more on him than on our congress. On the very evening before the congress opened, he withdrew his assent to exchange the office of Chancellor for that of President of the republic, which he had agreed to do some two months earlier. His change of mind naturally caused a great sensation and evoked a flood of comment. He must have known that this *volte-face* would not earn him particularly favorable publicity. One of my friends in the Bundestag characterized the situation this way: upon declaring his willingness to assume the post of president of the republic, Adenauer felt like a fox who had entered a trap. In order to regain his liberty, he preferred to bite off his own paw.

Both the German Society for Foreign Policy and my continued lecturing on the subject of the developing countries kept me busy politically. I want to mention particularly an address I gave in the fall of 1959 at a congress for young people arranged by the Nuremberg Chamber for Industry and Commerce, where my remarks met with a particularly warm response. It was a pleasure to speak to these open-minded young people and to discuss with them a subject that would be of particular concern to their generation. A sympathetic black student was also a member of the audience.

Even before the Atlantic Congress met in London, I had undertaken to give a lecture at the Centre d'Études de Politique Étrangère in Paris on the subject of problems in German foreign relations. In glancing through my notes for that speech, which I delivered in December 1959, I find that even then I was an advocate of a policy of *détente*. It was a policy that was later hotly debated in Germany and eventually recognized as a necessity. I endorsed it with one proviso—that it would not result in a freezing of the status quo. In Paris I said in this context (and today I would not express myself differently) that the German people more than any others are dependent on the hope that the renunciation of force as an instrument of politics, as required by the statutes of the United Nations, would one day lead to the peaceful solution of the problems left by the last war, in a manner that would guarantee all

Germans the right of self-determination. Since the prerequisite for self-determination was the relaxation of the tension between East and West, no country had as great an interest in such a détente as Germany. But it would be a mistake to believe that this could be brought about by merely freezing the existing situation, let alone by attempting to legalize it in the form of treaties.

For two reasons the year 1959 was of special importance for the Klöckner group. Klöckner-Humboldt-Deutz was merged with the Vereinigte Westdeutsche Waggonfabriken AG (United West German Railroad Car Manufacturing Corporation) in Cologne, which we had acquired several years before and which had been closely linked to KHD by a manufacturing agreement. Our purpose in buying this firm was not to enter the business of manufacturing railroad cars but to acquire its land, which bordered directly on ours in Cologne-Deutz. We were now able to solve the space problem that had for a long time impeded the development of KHD. The acquisition of the land itself was worth the cost. As the construction of railroad cars is not a very profitable undertaking in the Federal Republic, we restricted it more and more and eventually gave it up altogether, using the land instead for expanding our established production programs, an ideal solution of the space problem confronting all large-scale industrial enterprises in the midst of a big city.

The further expansion of KHD could now be directed to building a new, large-scale plant for construction of tractors, which began operation in 1961. Its production capacity is about 35,000 units annually. Soon afterwards we were able to embark on the erection of a new administration building for the Cologne firm. It is a high-rise designed by Düsseldorf architects Professor H. Hentrich, H. Petschnigg and H.-J. Stutz, and adds an important silhouette to the skyline of Cologne. If we had been able to come to a decision more quickly, we could have built this urgently needed building several years earlier at considerably lower cost.

Another important event for Klöckner in 1959 was reorganization of the Klöckner-Werke, which had been planned for some time. The independent subsidiaries into which the Allied deconcentration process had split up the various member firms were once again combined into one corporation. The subsidiary companies transferred their capital back to the parent company; and the Klöckner-Werke AG, instead of continuing as a pure holding company, could once again develop as an integrated manufacturing concern. From the point of view of econ-

omy alone, this was an important step forward. Unfortunately, the reorganized Klöckner-Werke were immediately confronted by the rather suddenly developing crisis in coal sales, which has continued to be a sore spot in the German economy.

Regardless of what it means to the businesses directly affected, the coal question has been and still is primarily a political issue, both domestically and internationally. Even the government in Bonn gradually began to feel concerned about this serious problem. Writing on March 10, 1960, Dr. Adenauer asked me "as a far-sighted industrialist, for a completely candid opinion, taking all the practical aspects of the problem into account." I sent him a memorandum on the subject and, upon his request, followed it with a second statement concerning the questions of oil and natural gas from the Sahara. In my first memorandum I pointed out that the problems confronting us were not so much a matter for industry alone to solve, but rather an issue for governmental consideration and action. I went on to say that it could not be asserted categorically at this point that the place of coal in the economy had come to an end, and that it would be a mistake to sacrifice the future of the industry on the basis of the present fluctuating situation. Of course, the mining industry must first of all do everything it could to help itself, particularly by streamlining its operations. However that may be, the fundamental issues and the appropriate measures for meeting them had to be handled by the state. At the time, certain protective measures seemed indicated, in order to provide the mining industry with sufficient breathing space to adjust itself to the changed circumstances created by the steady increase in the use of fuel oil. After a few years of operating without the pressure produced by the current situation, the industry could once more take stock, so to speak, and survey the experiences gained in the interim.

Although some progress was made in streamlining mining operations, and various measures were undertaken—hesitatingly and inadequately—by the federal government, the situation did not improve during the following years but became critical. Unfortunately, it took years before Bonn could decide to adopt an unequivocal position in the face of this crisis, as I had recommended in my memorandum. Several times the government declared or even gave assurances that it was desirable or necessary to maintain a production capacity of 140 million tons a year; finally, in 1965, it explicitly admitted that a production capacity of such a size was no longer realistic and that output had to be adjusted to the reduced consumer demand.

This in itself, of course, did not constitute an energy policy; even under conditions of reduced production the viability of the industry must be maintained, which is impossible without governmental regulation of energy. But it is the federal government itself that must assume the responsibility for establishing a policy regulating the production and use of energy in all its aspects. As in other countries with energy resources, a decision must be made whether and to what degree domestic energy reserves should be protected, even if they are not always the cheapest source. The German coal industry has shown that it does not shy away from taking risks and making special efforts. But for the sake of their economic survival the directors of the firms involved are forced to see to it that their costs are covered (not to mention the shareholders' justified expectations of profits); they cannot, therefore, continue to maintain the reserves under their control for the public benefit for an indeterminate period at the expense of their capital investment, and so relieve the government of the responsibility for coming to a decision whether and at what price such energy reserves should continue to remain available.

As always, it is worthwhile to look at what is happening abroad, for example, in the United States, which, in order to protect its domestic oil reserves for strategic reasons has established production ceilings and imposed strict controls on the import of oil in order to assure its domestic producers of a steady income. The resulting higher fuel costs that the public has to bear are the price for the security thus gained. A look at all other comparable countries would seem to show that apparently nowhere outside the Federal Republic is it nowadays considered appropriate to leave the production of basic energy completely to the forces of the free market economy. It must be understood that governmental regulation of the fuel supply for the sake of security cannot always be subordinated to the demand for the cheapest product possible; those who clamor so vociferously for the cheapest possible fuel should remember that their calculations are free of risk simply because they are closing their eyes to the risk. The continuing problem of closing down mines must also be viewed against this background. Already disappointed by a number of unkept promises, the producers of German coal can only formulate their plans in accordance with what will ensure their continued existence. If returns are no longer in keeping with costs or the risks involved, business cannot continue, or at least not on the same level as before.

In 1968 an agreement was finally concluded between the federal government and the coal mining industry. It resulted in the creation

of the Ruhrkohle AG (Ruhr Coal Corporation) into which almost all the mining companies of the Ruhr region, among them our Klöckner mines, were combined. Although it is by no means a final solution of the structural problems of the region, the founding of this corporation represented a big step forward. The Ruhrkohle AG is a privately run joint corporation (*Gesamtgesellschaft*) which, while it may in case of need have to rely on state aid, is altogether a new kind of industrial organization that functions without undue governmental interference. It is by no means an example of "creeping socialism," as it has occasionally been incorrectly described.

### *The Years of Transition*

At the beginning of the 1960s it was fashionable to say, particularly in France, that the postwar period had come to an end and a new era had begun. It remains debatable to what extent this was actually true. "Clocks show a different time" in different countries, and concepts of when a new era has begun vary just as much. In times of peace particularly, the transition from one era to another usually takes place imperceptibly—until one day one cannot help noticing that times have indeed changed. At all events, at the beginning of the new decade hardly anything seemed to be changing in the Federal Republic, and the talk about the end of the postwar period did not sound very convincing to us, particularly because the division of Germany continued and nowhere could prospects for reunification be seen.

In the House of Klöckner in Duisburg our work and our troubles continued, and in the ministries in Bonn things were no different. At that time I began to have closer relations with Federal President Heinrich Lübke concerning the problem of the developing countries, which I have mentioned earlier. After some vacillation in Bonn, Lübke had assumed the highest office in the Federal Republic in September 1959. In our Basic Law this office is defined as largely "representative" in character, although its political importance is undeniable. I had known Lübke since the first postwar years when he and I were elected in 1949 to the first Bundestag; he had been a fellow member in our party caucus, although only for a short time. As he simultaneously held the post of Minister for Food and Agriculture in the province of North Rhine-Westphalia, he soon resigned his seat in the Bundestag, but he returned to Bonn in 1953 as Federal Minister for Food, Agriculture and Forests. The problems of the developing countries were particu-

larly close to his heart. He had been able to gain many insights into the troubles and needs of the young countries during his state visits to Asia, Africa and South America. I have had many stimulating discussions with him on this subject and felt much respect for his understanding of the problems and difficulties involved. Heinrich Lübke brought the unshakable equanimity of a native Westphalian to his high office, but the lofty bearing expected of a President of the Federal Republic was alien to him. His wife Wilhelmine rendered him excellent assistance in the fulfillment of his representative duties.

The President was particularly fortunate in the choice of his principal associate. He appointed the ambassador in London, Hans Heinrich Herwarth von Bittenfeld, to the post of State Secretary, the highest official of the federal presidency. As former colleagues in the German foreign service, old ties of friendship exist between us. His particular talents for the diplomatic profession found full expression in London. He retired not long ago.

For many years I have also been on terms of friendship with the recently retired German ambassador in London, Herbert Blankenhorn. His first post after the war had been secretary general of the CDU in the British zone. This made him one of the closest associates of Dr. Adenauer, who appointed him in succession director of the political department of the new Foreign Ministry in Bonn and ambassador first to NATO, then to Paris and later to Rome. He was regarded as one of our ablest chiefs of mission.

The present ambassador in London, former Undersecretary of State Karl-Günther von Hase, is a worthy successor to Blankenhorn. At the relatively early age of forty-four he had been appointed director of the federal press office. The Foreign Ministry may rightly expect much of him in the future. He is well equipped for his post as German chief of mission in London.

I do not want to omit that we have also maintained friendly relations with the commander in chief of the American army in Europe, General C. D. Eddleman, and his successor, General Bruce C. Clarke, both of whom have visited Klöckner factories and have been guests in our house. We have been equally happy to return these visits at their headquarters.

In the summer of 1960 my wife and I, with our two younger children, started on a trip through the United States. We first visited the large cities on the east coast. I had some business matters to attend to

in New York and once again became aware of one of the peculiarities of life in the United States; in this country with its tradition of freedom, one cannot in many respects move or conduct business as freely as in many West European countries, since so many things are regulated so extensively that most important matters cannot be handled without lawyers. After I had finished my business, we visited the United Nations building, towering into the sky above the East River. In passing we saw many personalities from all over the world whose names regularly make news. We also were told the story of the Midwestern farmer's wife who, after a guided tour of the United Nations building, said that it was all very nice if only there weren't quite so many foreigners. An old acquaintance, the very capable German "observer" to the U.N. at the time, Sigismund von Braun, later German ambassador in Paris and now undersecretary of state at the foreign office in Bonn, arranged a number of meetings for us in this international world-in-miniature.

In Washington we met with Air Force General Truman H. Landon, whom we had known well for some time and who occupied a leading position in the Pentagon, later coming to Germany as commander in chief of the American air force in Europe. Our journey through the North American continent ended in the large cities of California where Klöckner has some important business connections. On the way we made stops in the West and Midwest, including a brief visit to Las Vegas.

At the time of our trip, the presidential campaigns for the election in November were in full swing. Shortly before that, in early May, President Eisenhower and the Republican administration had suffered a serious blow when an American espionage plane was shot down over the Urals. As will be remembered, Khrushchev used this episode as a pretext for wrecking the Paris meeting of the "Big Four" even before negotiations had started. The scenes that Khrushchev staged in Paris at that time were apparently not sufficient; in October he followed them up with a temper tantrum in the United Nations General Assembly in New York, where he pulled off his shoe and thumped his desk with it. Quite plainly he challenged the colonial peoples to take up arms if the United Nations did not immediately vote in favor of an end to the colonial system. The days when Eisenhower and Khrushchev had met at Camp David at the end of September 1959 seemed to be forgotten; Khrushchev no longer wanted to have anything to do with

the American President. The Eisenhower era ended with a complete slump in Soviet-American relations.

In mid-July 1960, the Democratic party convention was held in Los Angeles, where we had stayed briefly a few days earlier. Kennedy was chosen as the presidential candidate of the party. His chances over his opponent Richard Nixon were generally thought to be 50-50, a prediction that the elections later upheld; Kennedy won by only a slight majority. At the time I was struck by the extent to which the quest for popularity dominates the election campaigns in the United States, the feminine part of the population being eagerly involved. The question of which candidate is the better qualified for high office seems to recede into the background. When we discussed this with Americans, we were often told that beside Kennedy and Nixon there probably were several others who were equally qualified for the office of President. Later, however, it became evident that Kennedy was a stronger personality than had been generally assumed in the heat of the election campaign.

At the time of our visit the United States had more or less weathered the recession that had reached its lowest point in 1958, although for the steel industry the situation was by no means rosy. Just before the presidential elections, steel production sank once more to a low point of little more than 40 per cent of total production capacity (for a variety of reasons this figure is not comparable to the corresponding German figures). Many regarded this as a sign of another recession, but in fact, the following years brought a considerable upswing in almost all sectors of the American economy, including the steel industry. The two basic troubles of the economy, however, continued to cause uneasiness: the high unemployment figures and the deficit in the foreign balance of payments. While the unemployment problem has since improved, it still seems to affect the Negro population adversely. But the Negro problem did not enter the acute stage until later, when it became one of the chief problems of American domestic policy.

In Germany, as in the rest of Europe, there is a tendency to generalize on the basis of some of the unfamiliar impressions we have gained of the American style of life and to doubt rather superciliously whether it is at all capable of producing cultural values. Numerous examples, of course, prove that this is not so. Although we Europeans may not feel that the automatization of living, especially in the large cities, and



the exaggerated advertising methods are worthy of imitation, it would be quite wrong to see them as the kernel rather than the outer shell of the famous American way of life, of which the inhabitants of the United States are so proud. One can hardly deny that this pride is justified when one considers the total cultural achievements of the new world. Of course, in the United States too, the bearers of higher cultural values form a small minority, a state of affairs hardly different from that in Europe, where each nation surely has cause for much self-criticism.

Starting from Seattle, we began an especially interesting part of our journey, a visit to Alaska, which only in 1959 had become the fiftieth state of the United States. A hundred years before, Alaska was still Russian territory. In 1868 the United States bought it for a little less than seven and a half million dollars, a transaction that Soviet Russia presumably recalls today with some vexation. Alaska has gained greatly in importance in our day, since the city of Anchorage serves as a stopover point for flights to Japan. At the turn of the century, immigration greatly, though briefly, increased in the wake of a gold rush, and now discovery of oil has once again attracted settlers. Here are a few notes from my diary . . .

From Fairbanks, in the heart of the Alaskan peninsula, we made an excursion in a small plane to a truly isolated corner of the world, namely Point Barrow, Alaska's northernmost point on the shores of the Arctic Ocean. For the greater part of the year the sea remains frozen, and even in the summer it is always covered with drift ice. Inland, between the shore and the snow-covered mountain ranges, which occupy most of Alaska, stretches an expanse of tundra without a single tree or shrub, a snowy desert in winter. Point Barrow is a settlement of more than one thousand Eskimos and about a dozen whites. For the infrequent tourists who come during the brief summer, accommodations are available in what is somewhat ostentatiously called a "hotel," but where we were unable to open the windows of our room. This would not have been so bad if we had not found the air so exceedingly stale. Apart from this we found ourselves to be a little more than 300 miles north of the polar circle and even north of the 70th degree of latitude—in other words, not so far from the North Pole itself. A sign post on the main "street" of Point Barrow indicated the distance to various points such as the North Pole, San Francisco, New York, and the South Pole. The distance to the North

Pole—1,250 miles—was by far the shortest, only half as far as San Francisco.

It was most exciting to meet the Eskimos in Point Barrow and to get a close-up view of their way of life. In the winter when everything is white the town may look quite attractive with its small dark-brown houses, but in the summer when the roads are covered with a turflike layer of dust, it seems rather desolate. But the people, small and thick-set, are friendly by nature and the children particularly, with their slightly Mongolian eyes, are always merry. They have, of course, only one school and their teacher is one of the few whites living permanently in Point Barrow. She told us how difficult it is to teach the children about the flowers and trees, cows, chickens and horses that are pictured in their primers. Such plants or animals do not exist this far north. The Eskimos only know the marsh, called tundra, which is immediately outside the town, and the sea, which for them is, so to speak, a maid of all work. In the summer it removes the refuse that is piled on the ice during the winter because the frozen ground does not permit it to be buried. It also provides them with their chief food, seal meat that they love so much and eat as we eat bread. The catch of a whale relieves them of worry about food for many months. Since strangers have been coming to the place the children have learned to like candy, but one can watch them suck a lollipop and in between chew on a raw walrus kidney with equal delight. The Eskimos measure a man's prowess largely according to his success as a hunter. One of the two U.S. Senators representing Alaska at that time had also gained a reputation as a hunter. Transportation on land is by dog sled; and when the dogs are not working they lie chained in front of their owner's house, and it is best to stay away from them. Occasionally one can see a very antiquated looking World War II jeep in or near Point Barrow.

Although they live largely in isolation, the Eskimos are a sociable people. An indication of this are the two very popular coffeeshouses where the old men sit together with the teenagers telling them of their hunting exploits and other adventures. All outdoor events end almost invariably with trampolining. A few strong men hold up a large round trampoline in the middle of which a teenager stands and waits to be flung high into the air when the cloth is suddenly pulled taut. Whoever flies highest is applauded, and whoever does not land on his feet has to give up his place to another.

The people in Point Barrow are also fond of music. Christianity was first introduced by means of hymn-singing, which appealed to the Eskimos and in which they liked to join. Like all primitive races they adore dancing and through it they best express their temperament. We watched

a communal dance where whole families and their friends moved in groups to a harsh rhythm, evoking in us the feeling that a primitive people were executing half-forgotten hunting and courting rites. In these movements that are thousands of years old the original character of the Eskimo lives on.

In Ottawa, the capital of Canada, I met our ambassador Dr. Herbert Siegfried, also an old friend from my days in the Wilhelmstrasse. He introduced us to some of the leading men of the country, among them the speaker of the Canadian lower house, whose wife was a competent pianist who faithfully used the Henle editions of classical music. Our journey that had been so rich in new impressions, many of them not to be found in a guide book, ended in Canada.

October 1960 saw me once again in London, this time as a participant of the Fourth International Industrial Congress. It was attended by delegates from Europe, the United States, Canada and South America, chosen by their national industrial associations; about ten came from the German Federal Republic. International economic relations and, once again, the problems of the developing countries were the subjects of the conference. The latter topic was of particular concern because political developments had raised doubts about the value of aid to the developing countries. Under Fidel Castro, Cuba, where the United States had invested large sums, had gone over to the Communist camp; in the Congo, independence granted somewhat too hurriedly by Belgium was threatening to bring about total collapse of the social order, and only the intervention of the United Nations was to some extent able to stem the tide. Many of those who had enthusiastically supported the economic development and independence of the former colonies found themselves bitterly disappointed, and many of those who had been totally critical of aid programs felt that events had proven them right. It was, therefore, bound to be helpful to consider the problems dispassionately.

Such a dispassionate evaluation would once again be appropriate. Since about 1960 there has been a marked decrease in the eagerness with which aid has been granted to the developing countries to meet even their most urgent needs. According to estimates of the World Bank, the requirements of the developing countries today amount annually to three to four billion dollars more than they actually receive.

In many places in the world one seems to have wearied of foreign

aid. In addition to the reasons mentioned above, there have been other discouraging experiences. The capital supplied has often been used inappropriately. Largely for prestige reasons, for example, steel plants have been erected in many locations, but since local fabricating facilities were not available, the plants have tried unsuccessfully to compete on the already glutted world market. There also have been many instances of sheer waste and corruption. Further, there has been the political instability of many of the developing nations, whom foreign aid was to help grow into free and democratic states; instead, revolution has followed upon revolution leading finally to the establishment of military governments or dictatorships. And finally, many of the young nations are falling increasingly into debt while several of the aid-granting countries are faced with a growing adverse balance of payments.

In the Senate of the United States, the largest creditor of the developing countries, the opposition to "foreign aid" has grown stronger year by year. In the German Federal Republic a tendency has developed to make credit dependent on the political attitude toward German reunification of the countries in question. This feeling is undoubtedly not unjustified, but particular prudence is required whenever economic aid is made conditional on political attitudes. There is also the tendency, by no means only in Germany, to concentrate aid on a smaller number of countries and to abandon the concept of pouring it out indiscriminately, but this, too, has its negative aspects because it may intensify the dangerous tensions already existing between the poorer and richer regions.

One thing is certain: the creation of new opportunities for employment and the production of food in the developing countries are by no means keeping pace with the increase in population. As a result, the gap between the richer and the poorer nations has widened rather than diminished during the last decade. For political and ethical reasons it is, therefore, right and necessary to work not only *against* a decrease in economic aid but, on the contrary, *for* an increase that, if necessary, must take precedence over an improvement of our own living standard.

The Industrial Congress in London in 1960 made many valuable contributions to this very pressing problem. Once again the real significance of the congress lay in the personal contacts and private exchanges of opinion that it made possible, rather than its formal meetings. It was such opportunities that make it seem desirable to me to participate in such conferences whenever my other obligations permit

me to do so. Often enough, of course, lack of time prevents me from attending, and occasionally I have had to refuse invitations to events that promised to be of great interest. This was true, for example, of the International Industrial Conference that met in San Francisco in 1957, 1961, 1965, and again in 1969; it was all the more regrettable for me as these were significant meetings which promise to become a worthwhile permanent institution, meeting every four years. At my suggestion one of my younger, leading associates in our firm was invited in my place. He much appreciated the opportunity to attend the conference and was able to establish useful international contacts. I am equally sorry that I have not been able to participate in the "Bilderberg" Conference, which derives its name from its first meeting place, a hotel near Arnhem in the Netherlands. This conference was established by Prince Bernhard of the Netherlands at the beginning of the 1950s and has since then also become a permanent institution, highly valued by all who participate in it, whether they attend regularly or occasionally. Under its auspices, members of government, leading politicians, industrialists, and labor union leaders from the countries of Western Europe as well as from the United States and Canada meet every year in a different locality, each time to exchange views on current affairs. Several men among the inner circle of participants have attained high office in their country, Dean Rusk in the U.S., Reginald Maudling in England, and Amintore Fanfani in Italy, for example. The political affiliation of the participants is of no significance at the Bilderberg Conference, and Prince Bernhard's able leadership is appreciated by all. When the conference was first established, I was invited to participate but had to refuse because of the special pressures that my membership in the Bundestag at that time imposed on me.

In any case, the life of an industrialist does not consist of attending meetings and conferences. His main task is the direction of his own enterprise. He has to be available to deal with new developments that require review and decision. One such new situation was created by the federal government when on March 6, 1961, it suddenly revalued the German mark. The impact of this was, of course, most strongly felt by the whole German export industry. In the Klöckner enterprises we fortunately managed to weather this problematical and incisive measure without too many adverse effects.

About the same time, Klöckner's first big ore freighter, which had been built by the Rhestahl-Nordseewerke (Rhine Steel-North Sea

Works), was launched in Emden where my wife christened it with her own name, *Anneliese*. It was our company's first large ship, with a loading capacity of almost 30,000 tons. Its sister ship *Inge* was named after Peter Klöckner's granddaughter, Frau Inge Amos; with her and her husband we have for many years had close ties of friendship. Building these freighters was by no means intended as competition with existing shipowners; we were simply motivated by the decision of the Klöckner-Werke to erect a steel plant in Bremen, within immediate reach of the ocean. Being now more dependent on ocean transport, it seemed advisable to acquire a modest amount of shipping space of our own, but whether this will remain true in view of the general development in international shipping is impossible to foresee. The launching of our ship in Emden was an impressive event, followed by a festive gathering arranged by the Rhestahl-Nordseewerke in the club "Zum Guten Endzweck" ("Happy Ending") where the importance of the day was properly celebrated.

Over the years the breadth of my activities has expanded as I was elected a member of the board of directors and in some cases became chairman of an increasing number of large-scale enterprises. As the oldest of these associations I must mention the Deutsche Bank, which had always been the Klöckner lead bank, of which Peter Klöckner had been a member of the board of directors until his death. As one of the largest of the German banking concerns, the Deutsche Bank quickly found itself in difficulties after the end of the war, when all its branches in what was later to become the German Federal Republic were severed from the home office in Berlin. The bank had attempted to avoid this development by establishing new headquarters in Hamburg, but the occupation authorities were not interested in such a reorganization, but rather intended that, as in the case of large-scale industrial enterprises, the large banks also would be split up into smaller units. In 1948 the British military government ordered that custodians be appointed within the regions of the provincial governments to supervise the former large banks. As a result, Dr. Robert Lehr, temporary head of the government of the North Rhine province, was appointed to this post at the Deutsche Bank in Düsseldorf. When Dr. Lehr became Federal Minister for Internal Affairs, I was appointed his successor. I continued in this office until the law providing for reorganizing of banking came into effect. At the end of 1952 this law resulted in the intermediate solution of establishing the Rheinisch-Westfälische Bank

as a duly licensed stock corporation in Düsseldorf for the province of North Rhine-Westphalia. As in the case of the deconcentration of the industrial concerns, this reorganization of the banks conceived of by the occupation authorities proved to be of limited duration. In 1957 the three successor firms of the Deutsche Bank in Frankfurt, Düsseldorf, and Hamburg were again incorporated into a uniform Deutsche Bank with headquarters in Frankfurt. I am a member of the board of directors, as I was of its predecessor, and for a number of years have been deputy chairman.

One of the leading men on the executive committee of the Deutsche Bank after the war was its chairman, Hermann J. Abs, whom I have mentioned before. When he reached retirement age in 1967 he became chairman of the board of directors and was succeeded as chairman of the executive committee by Dr. Karl Klasen and Franz Heinrich Ulrich. Klasen and I were closely associated on the board of directors of the Klöckner-Werke AG where he was one of the deputy chairmen. In all our deliberations I set great store by his shrewd and well-balanced judgment. Succeeding Karl Blessing, he was appointed in 1969 president of the German Federal Bank, the central note-issuing bank of the Federal Republic. This was a great loss for Klöckner as he had to give up his seat on our board of directors as well as the positions he held on the boards of other industrial firms. After this, Ulrich became the sole chairman of the executive committee of the Deutsche Bank. His wide knowledge, particularly in international banking matters, his energy, farsightedness, and intellectual flexibility are qualities that have made him a leader in the German banking world. In its board of directors and its executive committee, the Deutsche Bank compares favorably with any similar institution at home or abroad.

I also want to make particular mention of Hans L. Merkle, who like myself is a deputy chairman of the bank's board of directors. He is the head of the worldwide concern of Bosch and in him the Deutsche Bank has secured the collaboration of a particularly capable executive and one of the leading men of German industry. He takes a lively and active interest in scientific questions and has for many years been a member of the Scientific Council, founded in 1957, and recently also on the board of trustees of the Volkswagen Foundation.

Among my many close ties with the other business concerns in the Federal Republic I will mention here only the German subsidiary corporation of the international Swedish ball-bearing concern SKF, the largest German insurance company, Allianz (in both of which I

am chairman of the board of directors), and the internationally known Siemens corporation, among many others. There were also, of course, many personal relationships with leading industrialists. Of the Big Three of an earlier period of the Ruhr—August Thyssen (the father of Fritz Thyssen), Hugo Stinnes Sr., and Peter Klöckner—I unfortunately did not know the first personally and knew Hugo Stinnes only briefly. Peter Klöckner, however, maintained close personal contacts with both of them. With Thyssen in particular he shared many personality traits and ways of thinking. They both were committed exclusively to their work and quite adverse to the ostentation that today has become so common, not in industry alone. There was a little story that Peter Klöckner, or "P.K." as he was usually called by his family, liked to tell. Once, while he was visiting Thyssen in his office in Duisburg-Hamborn to discuss some business, the rumble of cannon salvos could suddenly be heard outside. In answer to P.K.'s astonished question about what this might mean, Thyssen answered offhandedly, "Oh, they are just inaugurating my new steel plant, the August-Thyssen-Hütte." This little episode was characteristic of the modest, completely matter-of-fact attitude of this great industrialist, as he lives in the memory of all those who knew him.

In the next generation of industrialists I have had frequent contacts with Ernst Poensgen and Hermann Wenzel of the former Vereinigte Stahlwerke (United Steel Works). Poensgen had the distinguished appearance of a *grand seigneur*, the tanned complexion of a sportsman, and the features of a philosopher. He did not at all resemble the tycoon of heavy industry as the average citizen imagines him. He and his wife had no children and were very sociable; invitations to the parties they gave every winter were much sought after. I also often met Poensgen and his wife in Davos in Switzerland; they were both excellent skiers.

Among the great ones in the Ruhr there is above all Friedrich Flick, whom I am mentioning only now because he is between the generations, so to speak. Several times in the course of his long life—he is now over eighty years old—he has built a new business concern almost from scratch. Without exaggeration, this has been a unique achievement. During the postwar deconcentration of the coal, iron and steel industry he, like all of us, found it particularly bitter to have to give up his considerable coal interests. However, it turned out to be a blessing; when it became clear that separation was inevitable, he used the proceeds to acquire interests in other firms—Daimler-Benz, for one—that today are probably the most valuable part of his indus-



trial group. Any conversations with him, were for me, the younger man, particularly stimulating and informative. For these I shall always remain grateful to him.

As mentioned before, the Vereinigte Stahlwerke were divided into numerous individual groups in the wake of deconcentration. At the beginning of the 1950s, Dr. Hans-Günther Sohl took over the direction of the main parent works, the August-Thyssen-Hütte. Long ago, in a conversation with Peter Klöckner I had prophesied a great future for Sohl, who was then still a junior mining executive. With great skill he rebuilt the Thyssenhütte which had suffered severe bomb damage and had then been further enfeebled by the Allied dismantling orders. He made it the focal point of a new business complex, in which the Thyssen heirs remained the majority owners. In that task Dr. Sohl proved his full worth and became one of the outstanding postwar builders of business concerns. He and I are old friends, seeing each other regularly for the last thirty years. On one of our flights to Munich, when we were about to study the contents of our briefcases after lunch, I suggested that we exchange our files for a little diversion, but he politely declined. Having expected no other response, I had run no risk in making my offer! For many years now Sohl and I have shared interests outside the business world, particularly in the arts. He is an opera enthusiast and has never missed a summer in Bayreuth.

This enumeration of leading men in the coal and steel industry is by no means exhaustive, but only a small sampling. I have particularly avoided naming the people who are leading the Klöckner enterprises today because it would be unfair to single out a few among so many excellent men.

A list of the outstanding representatives of the Ruhr industry would be incomplete if I did not also recall some of the men from the trade union movement with whom my work has brought me into direct contact. First and foremost there is Hans Böckler who, since the end of World War II has been the leading personality in the newly founded German Trade Union Federation, as well as its first president. Soon after the end of the war he and I met quite often in small discussion sessions, usually in company with other industrialists. While he always steadfastly upheld the interests of labor, Böckler was a sociable and likable man who at the same time inspired respect. Even when differences of opinion arose he never lost his good manners. He represented the unions in the negotiations concerning the codetermination law in the coal and steel industry, which I have mentioned previously.

Soon after the war I also met Ludwig Rosenberg who was president of the German Trade Union Federation until his recent retirement. We are both convinced advocates of European unity and have jointly taken part in many meetings to further that cause. He, too, is an intelligent and congenial man with whom one can discuss things matter-of-factly even when opinions differ.

While the 1950s had been largely a period of reconstruction in West German industry, the first half of the next decade brought other problems and troubles in its wake. Principal among these was the decrease in productivity not only in the German factories but in every other field of activity as well. After the collapse of 1945, the output of the German worker had been singularly high for many years, justly evoking the admiration of the whole world. But when a degree of recovery had been achieved, so that almost every household had its radio, refrigerator, television set, and not infrequently also its own car, a state of satiety set in during the 1960s, leading to an increasingly noticeable and disquieting falling off in the zeal and discipline of the labor force. In the nature of things, this was bound to have deleterious effects on our economic situation.

It should be mentioned that in American industry the average productivity per worker exceeds that of the German labor force. One of the reasons, of course, is that labor is not as scarce in the United States as in Germany. Another reason is that American workers are not nearly so well protected against being laid off as ours are. On the other hand, in the United States both employer and worker agree on the principle that the "customer is boss," a concept still largely unknown in our country.

The constant demand for higher wages and shorter working hours has not decreased in Germany, but, on the contrary, continues to be eagerly advocated. It is noteworthy, for example, that in the European Coal and Steel Community the German steel industry is among those paying the highest real wages and having the shortest work week. Yet at the beginning of 1966, when West Germany had considerably more than one million foreign workers and the German steel industry was encountering severe difficulties, the unions insisted on a further reduction in working hours with the same wage level that had been promised them in former, better times. As if this were not enough, in the coal mining industry, which for years has been fighting for its very life, a wage increase was extorted on threat of strike, a burden

that must be borne chiefly by the industry itself, resulting in additional losses for the mining companies. It is bound to give one pause if one considers that this is occurring in the coal and steel industry where for years now codetermination has been in effect, an arrangement now being demanded for other sectors of the economy as well.

Our politicians are prone to reproach business concerns for not having met the unreasonable demands of the unions with greater firmness, even at the risk of an occasional strike. This criticism may at first glance appear justified, but every time such a collision has threatened to occur during labor negotiations, the government has quickly intervened—the last time during the coal negotiations I just mentioned—to offer its “good offices” as arbitrator, etc. Arbitration has so far resulted only in a “compromise,” in other words, an increase of the existing wage level. An event that took place in the United States in the summer of 1966 provides an ominous example of what can happen if in their wage demands, the unions disregard the financial situation of a business. After being strike-bound for months, the New York *Herald Tribune*, a paper of world renown, was forced to cease publication and to close its doors because it could not meet the wage demands of the union. This meant that instead of receiving wage increases, the employees lost their jobs altogether. The very opposite of what had been intended was achieved, and the business itself was destroyed.

At some point in the mid-1960s it was calculated that if the working population in the Federal Republic would put in only about two hours of overtime per week, we could dispense with all the foreign workers, whose earnings amount to billions of German marks and constitute a considerable burden on our balance of payments. Apparently, however, the intention is to avoid such a development in order to maintain scarcity in the labor supply, a goal to which the reduction in working hours has already effectively contributed. This strategy obviously has overall economic consequences, adding considerably to inflationary pressures; production costs have risen as wage levels have been maintained and working hours have been reduced. There can be no objection whatever to wage increases following a rise in productivity and profits, for increased output certainly deserves the highest possible reward; but to demand higher wages and shorter hours while profits remain the same or even are falling will sooner or later reach a limit that cannot be overstepped without harming the public in general, including the workers.

Wage disputes in the Federal Republic have revealed another ques-

tionable attitude on the part of some of the public, particularly the unions. It cannot be seriously contested that a business can only be considered sound if it does not immediately pass on all its profits to its employees or to its shareholders, but retains part of them for reinvestment in its own operations and keeps another part as a reserve. Especially in Germany, where capital resources are generally scarce, the accumulation of reserves has proved to be an absolute necessity, particularly during the last few economically troublesome years. A fall-off in profits and the steadily increasing production costs that contributed substantially to the rapid deterioration of our economic position during the 1960s created a situation that no longer permitted us to increase our reserves but made it necessary to draw upon them. However, at the slightest sign that business may recover and the economic situation improve, new wage demands are made to skim off in advance the profits that at best can only accrue slowly. Such an attitude is bound to inspire anxiety in anyone concerned with the future of our economy.

On the subject of wages, incidentally, it is easily overlooked that every wage increase also means an increase in the social security taxes that industry is required to pay by law. During the financial year 1965–1966 the Klöckner-Humboldt-Deutz AG alone (similar to all other big companies) paid more than 37 million DM; for 1968–1969, 47 million DM, almost 11 per cent of its total outlay in wages and salaries, was the “employer’s share” paid into pension, unemployment, sickness and accident funds. Apart from this, every enterprise in our industry generally provides services for the welfare of its employees over and above those that are legally required or have been negotiated with the unions. It may be of some interest to cite a few figures of what has been and still is being done in this respect by the Klöckner group.

During the first postwar years and also later, the housing problem was a matter of great concern to all large enterprises. In the Klöckner-Werke 1,250 workers’ dwellings had been completely destroyed and 3,400 more damaged. KHD had lost 750 of the 1,000 dwellings it had provided for its workers. Extensive rebuilding was necessary. Not counting its coal mines, the Klöckner-Werke today own 12,730 dwellings and have priority rights to 2,000 rental units for their employees, while KHD owns 1,870 dwellings and rents 380 units. A considerable number of these were built by the plants themselves. During the last fifteen years Klöckner and Co. has also spent large sums to meet the housing needs of its employees.

Among other services for the health and welfare of its workers, Klöckner has provided cafeterias and libraries in its plants, medical services staffed by full-time physicians, special first-aid stations, and its own sickness insurance fund. These services are augmented by health and safety measures in the plants as well as paid vacations and rest cures. Special funds have also been set aside to provide pensions in the case of permanent disablement and death, payments to surviving dependents, and support payments in cases of undeserved indigence.

An important item on the list of voluntary contributions to social welfare are the Klöckner enterprises Christmas bonuses, which have amounted to millions of marks since their introduction and increase each year. For decades, bonuses have also been paid on the occasion of long service anniversaries. As long ago as 1936, Peter Klöckner himself established a welfare fund for Klöckner and Co. and, in the Klöckner-Werke and KHD, funds for training and apprenticeship programs.

Another important benefit are the provisions for retired workers and for widows and orphans. Pension funds have been established in the individual plants with a rising scale of payments so that, together with payments from the legal pension funds, which have been much improved during the last decade, a recipient may receive at retirement as much as 85 per cent of his last income, depending on the number of years of service. At present, in the three big Klöckner enterprises alone (Klöckner and Co., Klöckner-Werke, and Klöckner-Humboldt-Deutz), millions of marks are made available annually to about 11,000 beneficiaries whose number (and the amounts needed) naturally grows from year to year.

If we total the amounts spent during the last few years in our enterprises for social benefits to all of our employees above what is legally required, we arrive at an average sum of one hundred million marks per year. All of us who hold positions of executive responsibility in these companies feel pride and satisfaction that this has been possible.

It goes without saying that the Klöckner enterprises do their best to attract adequate numbers of young people as trainees in all their fields of activity. When we built our steel plant in Bremen we needed additional workers with specialized training; they received it in plants having equipment similar to what we envisaged for Bremen and in the companies that supplied such equipment.

Since 1959 we, too, have had to deal with the special social problems connected with employing several thousand foreign workers,

many of whom are Greeks, especially in steel processing. Our plants have had to provide homes with separate kitchen facilities and adequate recreation rooms. A reverse situation, in a manner of speaking, arose when the Klöckner-Werke sent a group of about fifty German technical advisers and engineers to Egypt, where for about three years they assisted the Egyptian Iron and Steel Company S.A.E. in putting its new steel plant in Heluan in operation.

In the fall of 1961 my wife and I made another most interesting trip, this time to Central Africa. Because Klöckner had various business connections there and was making plans for the future, I was anxious to gain a personal impression of the economic conditions and business possibilities. In the course of our travels, therefore, I had detailed discussions with our representatives, visited a number of African ministers and other dignitaries, and made new contacts. Quite apart from business, it was probably the most impressive of our journeys, not least because of the unusual African fauna and flora. Our itinerary first led us to the west coast of Africa to the republics of Senegal, Sierra Leone and Liberia, then eastward across the width of the continent where we visited Ethiopia and the Sudan and traveled the length and breadth of Kenya and its neighboring countries.

Our visit took place at an interesting time because at the beginning of the sixties the whole broad belt of Africa between the Arab north and South Africa, which remains under white dominion, was in a state of transition to full sovereignty. Apart from Liberia and Ethiopia, the latter an independent state since ancient times except for Mussolini's brief occupation, all the countries we visited had either just gained their independence or were about to do so. Remembering that at the beginning of the twentieth century there were only three independent states in all Africa—Abyssinia (as Ethiopia used to be called), Liberia and Morocco (which a few years later lost its independence to France)—one can appreciate the magnitude of the change that two world wars and the resulting end of the colonial period brought about on the black continent.

This great political upheaval has splintered Africa into almost fifty different entities, some of them dwarf states with only a few million or even only a few hundred thousand inhabitants. During the decades immediately preceding independence, several large-scale economic units had existed, which to some extent had supplemented one another. Today, however, while most of these countries can offer a variety of

tropical products, they do not grow enough food to feed their own people, a state of affairs made worse by the rapid increase in population. Africans are well aware of the drawbacks created by this multitude of states and have made several attempts to create larger units. However, not much headway has been made because the desire for independence, particularly in the small countries formed quite arbitrarily by the colonial powers, has proved to be a stumbling block. Even the partial federation entered into by Senegal and Mali in 1959 broke apart again after an existence of only two months.

All these countries still lack a broadly based leadership class, the former colonial masters having been either unable or unwilling to train one. A few personalities have risen to positions of leadership, such as Senghor in Senegal, Sekou Touré in Guinea, Nkrumah in Ghana, Kenyatta in Kenya and Nyerere in Tanganyika (today called Tanzania). Nkrumah's rule in Ghana ended at the beginning of 1966 with his abrupt removal, which came as a complete surprise even to him. Apart from such men, however, anyone who can read and write has risen considerably above the general level, and only a very few are truly educated. At the University of Dakar, the capital of Senegal, even today the large majority of teachers are French. In addition, innumerable different languages are spoken in Africa, divided in turn into many dialects quite different from each other. There is a language barrier almost every thirty to sixty miles. Paradoxically, English and French, the languages of the former European masters, have come to be the unifying elements even in the smaller states. Without the use of one of these languages no parliamentary session is conceivable, at least not in the countries of West Africa. Whenever a native member of parliament wants to rail against the former colonial rulers he has to use their language to do so. This does not, of course, apply to Ethiopia, where Amharic is the official language.

Among the most striking things this trip brought home to us was the realization that of the countries we visited, Liberia and Ethiopia are apparently the least developed, simply because they never had colonial taskmasters. Once one has made this observation at first hand, one realizes that the Europeans did much for Africa that they need not be ashamed of. To be sure, they also committed many sins of omission, some of them very considerable, particularly in regard to education. This became especially evident when the former colonial territories quickly and without transition found themselves confronted by the necessity of governing themselves; for sociological reasons their at-

tempt to do so by following European models was mostly doomed to failure from the start. The result of the failure to train elites became quickly apparent, although in differing measure; it was particularly obvious in the Congo, where the abrupt transition to independence rapidly degenerated into chaos.

Whether in the long run the whites or the blacks profited more from colonialism is hard to say. The accusation most often made by Africans, that the continent was exploited to profit one side only, is certainly not justified, because the expense of maintaining the colonies was often greater than the gains derived from them. For example, the investments made by the French and the British in such cities as Dakar or Nairobi today benefit the countries whose capitals these cities have become. However, the African states will continue to need aid for a long time to come and their ambassadors will keep visiting the government offices of the industrial nations. Whether they obtain aid from Washington or Bonn, Moscow or Peking is to them a matter of secondary importance.

The year 1962 began with a personal anniversary for me: On January 2 I could look back on twenty-five years of work in the House of Klöckner. Exactly a quarter of a century before I had presented myself at the Berlin branch of Klöckner and Co. in order to let Herr Neumann introduce me to the secrets of the steel trade. I received many congratulations from friends and associates in the Klöckner companies, but for me it was less a day for celebration than for gratefully remembering that during this quarter century, which began with a decade of approaching disaster and ultimate catastrophe, I had nevertheless enjoyed fifteen years of reconstruction during which it was possible to reunite the Klöckner group unimpaired and to develop it further to the position it has reached today. How many men, hardly a generation older than I, had suffered the reverse experience of having to see their life's work destroyed by the cataclysm unleashed by Hitler.

The following month I was invited to become a member of the board of trustees of the Volkswagen Werk Foundation, which added considerably to my commitments. However, the purpose of the foundation and the extensive resources at its disposal seemed so important that I did not want to refuse my cooperation. The foundation had been established in 1961 by the Federal Republic and the province of Lower Saxony following the conversion of the Volkswagen Company from a limited company to a corporation, and the partial denationalization



of the company by the issue of so called "people's shares." The proceeds from the sale of these shares form the main basis of the foundation's capital; to the income derived from it are added the dividends earned by the share capital that is still in the possession of the state. The foundation promotes scientific and technological research and teaching. The responsibility of deciding how its income, now about 110 million marks annually, is to be used, has been placed in the hands of a board of trustees consisting of fourteen members, of whom seven are appointed by the Federal Republic and seven by the *Land* of Lower Saxony.

It seemed to me essential that the trustees agree on priorities and determine basic policy in order to allocate grants in accordance with a well thought-out program and not lose itself in innumerable individual ventures. Unfortunately, this has not happened so far. However, in the course of time some points of emphasis have developed spontaneously. Among them, for example, have been grants for the acquisition of large-scale modern instruments for research in medicine and the natural sciences, grants for housing visiting professors, scholarship funds, grants for programmed learning and also for certain musicological projects, such as the historically and critically annotated collected editions of the great German composers.

Particularly interesting was a brief visit which some members of the board of trustees and the executive office, including myself, made in the spring of 1965 to several of the great American foundations, upon their invitation. We visited the Ford and Rockefeller foundations as well as the Carnegie Corporation in New York and the National Science Foundation, a public institution, in Washington, D.C. We were cordially received everywhere by the principal administrators and had ample opportunities to exchange opinions and obtain information.

I was particularly impressed by the typically American pioneering spirit that characterizes these foundations. One of the basic principles of the Rockefeller Foundation is not to remain too long with any of the individual projects it promotes, so that "imaginative effort" will not be impeded. Its principal guideline in making grants is to remain open to new ideas and programs "in terms of intellectual adventure." During the first fifteen years after its inception in 1913 the Rockefeller Foundation, in accordance with its founder's maxim, "to cure evils at their source," devoted itself assiduously and with great success to the task of eradicating a number of infectious diseases such as malaria, yellow fever and hookworm.

We found that there was much we could learn for our fledgling German foundations, which are still suffering from the typical childhood diseases of new organizations. At the same time, however, we decided that we would not copy the giant administrative structures that the great American foundations have developed, giants certainly in comparison with the modest space occupied by the executive offices of the Volkswagen Werk Foundation. This, however, I mention merely in passing; much more important is the fact that in Germany, too, we should show more daring in encouraging "intellectual adventure." So far it has not really been understood in our country that this should be the very object of a foundation, because government funds can hardly be expected for such purposes. If we merely confine ourselves to dealing with the mountains of applications we receive, we shall, in my opinion, miss the unique opportunities that exist in this field. I am happy to say that in the past years the Volkswagen foundation has developed in the direction that I have advocated. Particularly in the field of molecular biology, biomedical technology, educational research and university instruction, the Volkswagen Werk Foundation has taken the initiative and established points of reference for its future activities.

After the completion of my five-year term, it came time for a new board of trustees to be chosen according to the statutes of the foundation. I could, unfortunately, not make myself available again; it was not possible for me to cope for another five years with such a heavy load of work.

In the fall of 1962, on the occasion of the christening of our first grandchild, we flew to Tokyo where our daughter Sylvia and her husband had been living since their marriage. We combined this trip with a brief vacation, spent mainly at the beautifully situated Kawana Hotel, just a few hours by car from the capital. It affords a breathtaking view of the ocean and has two magnificent golf courses. During our stay in Tokyo I arranged a meeting with the executives of the Mitsui Company, with whom we were in the process of negotiating a joint venture of a small engine factory. My very kind hosts received me in their lovely guesthouse. A gourmet chef is in charge, whose pride it is to serve the guests of the Mitsui Company the specialty of their native countries. Thus I was offered, among many other delicacies, an authentic pork roast with sausage and sauerkraut.

The negotiations with our Japanese business friends were complicated by just one major problem. According to Japanese practice, the

majority holding in a Japanese company must remain in Japanese hands. While we were prepared not to be majority stockholders, we did not want to go below 50 per cent. Just a few weeks later I had an opportunity to discuss this problem, which affects us as well as other foreign corporations, with Hayato Ikeda, then Prime Minister of Japan, who had come to West Germany for a brief visit and had accepted my invitation to speak at the Society for Foreign Affairs in Bonn. I pointed out to him that it is quite common and acceptable in the European industrial countries for foreigners to be the majority stockholders or even the exclusive owners of a corporation, and that a Japanese, for example, could own a company in Germany. Our illustrious guest listened to my arguments with polite attention. Whether after his return he concerned himself with this matter, I do not know, but at any rate, we were soon able to solve our problem by a satisfactory compromise. By now the factory is in full operation and supplies the market with modern diesel engines; after an unavoidable initial loss, we are happy to record a favorable sales picture.

Politically, the year 1962 brought exceptionally high prestige to the European Common Market, which had been formed in 1957 in Rome. Since Britain had expressed the wish to be admitted in the summer of 1961, many other countries were also pressing for admission or at least for associate status. They had to be patient, however, since it was decided to straighten out the situation with Britain before admitting anyone else. I took part in discussions and lectures on this subject, some given in various parts of the Ruhr, in Baden-Baden and Munich, and, what was especially interesting, a series of lectures held in 1962 at Chatham House in London (the Royal Institute for Foreign Affairs). An Englishman, a Frenchman and a German were invited to speak on the same general topic, my contribution to the series being "A German View of European Integration."

At that time the controversy over admission to the Common Market had grown particularly vehement in England. Early in 1962 the distinguished Oxford economist Sir Roy Harrod had stated in *The Times* that the trade among Commonwealth nations was much more important for England than the trade with the Common Market countries; he thought that one should buy more from the poor nations and that they should be helped first, rather than the already rich. The appeal of this argument, which at first sight seems perfectly reasonable, was undeniable, but it presented a distorted picture of the problem. For one thing, it is not just a question of buying, but also a question of sell-

ing. In addition, among the Commonwealth nations it was not the poor who were complaining the loudest, but Canada and New Zealand, both economically sound countries, in fact, ranking after the United States and with Switzerland and Sweden at the top of the average wage scale published by the United Nations. Fortunately, however, the opinion gained ground, at least among the Conservative majority, that an alliance with the Common Market and an association with a European political union was desirable.

Actually, matters were not all that rosy within the Common Market despite the apparent popularity indicated by the long waiting list of nations wishing to join. Considerable progress had been made toward a customs union, but very little serious work had been done to achieve economic union. The so-called harmonizing process that was envisaged for the fields of commerce, finance, transportation, taxation and social welfare had barely been started. At the round-table discussions in Brussels, dealing with agricultural questions, it became quite evident that it was going to be extremely difficult to satisfy the special interests of the individual members.

Another point of friction within the Common Market became apparent in the fall of 1962. A research team in Brussels, charged with the development of a working program, posed the question of whether it might not be advantageous for the Common Market to adopt as guidelines the planned economic goals of several of its members, in particular those of France. But German businessmen, as well as Ludwig Erhard, Minister of Economics, immediately expressed strong opposition to this proposition, which was indeed understandable after our sad experiences of the past years with a controlled economy. With the German disposition towards perfectionism, a planned economy would invariably be interpreted differently in our country than in other nations; hence private enterprise would have to be safeguarded by clearly defined and inviolable rules.

Progress in planning and organizing a political union was even more negligible than progress toward an economic union. There seemed to be irreconcilable opposition between the "Little Europeans," who advocated limiting membership for the time being to the original six nations, the supranationalists who favored an "Open Door" policy, and the defenders of national sovereignty.

The further development of the question of a European union remained problematical throughout 1962 and even into 1963. In Sep-

tember de Gaulle made his historic visit to Germany. The enthusiasm with which his German audience welcomed him was certainly unexpected. The following months brought the Cuban crisis. The acute danger of a third World War was probably averted only by President Kennedy's courage and firmness. The success of de Gaulle's German trip may have persuaded Adenauer in the fall of 1962 to pursue even more strongly than before the idea of a treaty of friendship between France and Germany. The treaty was intended to put a seal on the final reconciliation of the two nations. At the same time it was to symbolize the success of the great political work to which Adenauer had devoted himself with such tenacity during his years as Chancellor.

Just before the signing of the treaty, de Gaulle, in his famous press conference, vetoed the admission of England to the Common Market. He thereby threw the whole European political situation into disarray and, worse still, placed the French-German treaty in a doubtful light. The United States was obviously affronted by the treaty. They saw in it an effort on the part of Germany to make common cause with France, with whom the United States had recently found itself at loggerheads because of de Gaulle's policy of dissolving ties with NATO and making France a nuclear power. An easing of this extremely strained situation was brought about by Kennedy's visit to West Germany in the summer of 1963, culminating with his famous "Ich bin ein Berliner" speech in front of the Berlin city hall.

In the meantime the newly signed friendship treaty between France and Germany appeared to be a sickly child. If its birth stood under an unlucky star, its ratification by the Bundestag caused France to have serious doubts as to its political value, for the Bundestag added a preamble explicitly reiterating Germany's close relationship with the United States. This was exactly opposed to de Gaulle's idea of gradually eliminating what he considered to be the United States' protectorate over Europe. His disappointment was vividly expressed when some time later he made the statement that, like flowers and young girls, treaties have their season.

Three characteristic traits in de Gaulle's political outlook militated against the close political collaboration between Bonn and Paris that Adenauer had envisioned as the result of the treaty. De Gaulle's attitude toward American predominance in Europe and elsewhere created the biggest obstacle. Bonn, of course, was right in refusing to be forced into a position where it had to make a choice between Paris and Washington. Obviously Germany's strategic location made it neces-

sary to rely on military help from the United States in the form in which it had developed over the years, and it was bound to side with the United States on military questions. Bonn was faced with a constant dilemma, particularly since Washington and de Gaulle were unable to find a satisfactory solution to their problems. The harder the American government tried to isolate de Gaulle within NATO, the more persistent he became in persuing his concept. A second problem for Bonn was de Gaulle's fundamental opposition to the idea of European integration. Integration was so repugnant to de Gaulle that he became an increasingly determined defender of the complete sovereignty and independence of France. Consequently he also turned against any integrated collaboration of the member states in the various supranational organizations, not only seriously threatening the unity of NATO, but also preventing the creation of a European political community. His attitude eventually resulted in the serious Common Market crisis of 1965.

The third obstacle to Franco-German collaboration was the General's predilection for certain, often rather abrupt, diplomatic methods. He loved to generalize about his plans for the future while remaining quite vague about how they were to be implemented, and then to carry out his decisions with maximum surprise effect. Obviously this gave him great political flexibility, but was hardly in accordance with his promises to hold consultations or to pursue mutually agreed upon political objectives. The periodic discussions between Bonn and Paris provided for by the treaty continued to take place, but under the circumstances they could hardly establish the common ground in foreign policy which had, after all, been the treaty's avowed aim.

The desire for close collaboration with France is shared by almost all politicians today in West Germany. This did not, however, prevent intense differences regarding the question of how far Bonn had to go along with de Gaulle's policy. The interests of the two countries differ in many respects. But de Gaulle was never able to offer a genuine alternative solution to the problem of the imbalance of power in Europe, since his *force de frappe* ("striking force") is insignificant compared with the atomic armament of Russia and the United States. This would be even more obviously the case if the United States were to remove its military bases from Europe and leave it to the Europeans to straighten out East-West differences. That de Gaulle has achieved much for France and that he is a towering figure among European statesmen cannot be denied. He has repeatedly proven his loyalty to

Germany in such vital questions as the nonrecognition of the East German regime. Naturally, Germany has a crucial interest in keeping relations with France on as friendly and trusting a basis as possible, even if Germany's vital interests occasionally force us to take a divergent path. Adenauer was, of course, right when he stressed again and again that European unity is impossible without French and German agreement. But even he was unable to lay a really solid foundation for such a permanent unity with France. This was a task he had to leave to his successors, who are constantly faced with it anew. In the fall of 1963, with the election of a new chancellor, an era of German politics came to an end.

The iron masters convention in November 1963 marked the end of a very busy year. At the annual meeting of the Society of German Iron Masters, under the presidency of Hermann Schenk, the well-known professor of metallurgy at Aachen, I was elected an honorary member of the society. In view of the importance of this branch of industry in the Klöckner group, this honor was especially appreciated. In my short speech of thanks I expressed my relief over not having to worry anymore about coming up with the dues at the beginning of the year, a remark that was received with the amused approval of the 5,000 members present.

February 3, 1964, brought, irrevocably, my sixty-fifth birthday. I had passed the word in business circles as well as among friends and acquaintances that it would be a day of "business as usual." But as is customary on such occasions, I received a multitude of congratulations from friends, from other companies, and from political and business associates of past years. A special surprise was the honor extended to me by the faculty of philosophy of the University of Cologne. The dean of the faculty, Professor Adam Wandruszka, accompanied by Professors Ludwig Landgrebe and Karl G. Fellerer, dressed in their resplendent academic robes, came to see me in Duisburg to bestow on me a doctorate in philosophy *honoris causa*, the honor being based chiefly on the work I had done in the field of musicology. Since music has always played such an essential part in my life, this honor in recognition of my work was truly a happy event for me. Duisburg's Röhrig Quartet insisted upon serenading me in the late afternoon at my home with works by Mozart and Schubert. This had become a tradition, since the Röhrig Quartet had offered this form of birthday congratulations for the past sixteen years, since February 3, 1948 when

they had performed for me for the first time in our temporary lodging in Duisburg. On that occasion, in order to make it a complete surprise for me, the members of the quartet had secretly taken up positions with their music stands in the stairway of our building. This stairway was lit by one of those automatic systems that turns itself off after three minutes. Therefore a fifth conspirator had to be present who immediately turned the lights back on to supply the musicians with the necessary illumination. Since that day the Röhrig Quartet has come to our house every year, and I would miss it very much if I ever had to do without this birthday gift.

The managements of the Klöckner-Werke and of Klöckner and Co. had acceded to my wishes and, instead of presenting me with a gift on my sixty-fifth birthday, had donated a complete radioisotopic separation apparatus to the large Bethesda Hospital in Duisburg, where a good friend of ours, the well-known internist, Professor Platon Petrides, is a leading member. This gift gave the hospital the most modern medical equipment, which is found in only a few university hospitals. In medicine the use of radioactive methods in diagnosis permits a much better insight into several diseases than has so far been possible. It was particularly rewarding to me to be able in this way to assist in the peaceful application of nuclear substances.

Shortly afterward my wife and I temporarily divested our house in Duisburg of most of its pictures. Forty-seven of the paintings we had collected over the years were loaned to the Wallraf-Richartz Museum in Cologne for a special six-week exhibition entitled "From the Great Century of Dutch Painting." As I have already said, I developed my special love for Dutch painting, particularly that of the seventeenth century, when I served my apprenticeship in the diplomatic service in the Netherlands. When later I found to my great joy that my wife shared my enthusiasm, we soon began to buy paintings under expert guidance. Gradually we have acquired a substantial collection representing a broad cross-section of the seventeenth-century Dutch school. As every experienced collector knows, one has to depend on the judgment and advice of truly qualified experts, or else one is in constant danger of making mistakes. However, there is no collector who can boast he has never been taken advantage of; even highly respected museum directors and professors of art are among the victims of frauds (van Meegeren!) or erroneous attributions.

Every art lover is acquainted with the special charm and importance



of Netherlands baroque painting. While the Dutch painters form the majority of our collection, we have also a number of paintings of the Flemish school and, in addition to many landscapes and views of towns, some examples of the portrait painting that artists cultivated so lovingly, as well as interiors and genre pictures. Outstanding in our collection are paintings by Jacob van Ruisdael and Salomon van Ruysdael, Jan van Goyen, Willem van de Velde, Peter Paul Rubens, Jan van de Capelle, Aelbert Cuyp, Isaak van Ostade and Adriaen van Ostade, Pieter Breughel the Younger, Frans Hals, Anthony van Dyck, Jan Steen, Jan Brueghel the Elder, known as the "flower" Brueghel, Willem Kalf and many another important artist. Finally I must not forget to mention a painting by Gerrit Dou, a disciple of Rembrandt, whose work clearly betrays his allegiance to his master. On the tri-centennial anniversary of Rembrandt's death, in the fall of 1969, it was lent to an exhibition of "Rembrandt and His Followers," organized by the Art Institute of Chicago, from where it traveled to the institutes of art in Minneapolis and Detroit. In these three cities, altogether 460,000 people attended this exhibition.

Early in the summer of 1964, accompanied by my wife, I made another visit to the United States. I had not been there for several years. The great number of leading men in business and politics whom I met, and the wealth of new impressions I gained, proved to me once again how useful it is for those holding responsible positions in industry to visit the New World at least once a year, even without an immediate business purpose.

I spent over a week in New York and Washington in business talks with leading American steel manufacturers. We then were weekend guests at the estate of the late Mrs. Agnes Meyer, not far from New York. Cordial relations had existed for a very long time between this delightful, unusually intelligent, and widely educated lady and myself; she took a keen interest in politics, and for years our friendship had been maintained by correspondence on political questions. Mrs. Meyer was the widow of the Washington newspaper publisher Eugene Meyer, and she played a far from insignificant political role as part-owner of the *Washington Post* and *Newsweek*, as well as other important organs of opinion. On her travels to all parts of the world she had met many interesting and important people, among them Khrushchev and Tito. At her home she introduced us to influential politicians and diplomats as well as journalists with whom we had a

chance to exchange opinions. Among the guests that weekend was the late Adlai Stevenson, then American Ambassador to the United Nations, who, however, spent more time on the telephone than among the guests because of the Cyprus crisis that had just then reached its peak. Ambassador Llewellyn E. Thompson, who had just been promoted to the highest professional rank in the State Department, was also present. He told us that this would be his last assignment and that he definitely did not want another foreign mission. Two years later, however, he was again sent back to Moscow as ambassador, a post he had previously filled between 1957 and 1962.

In some of my discussions the question came up whether the Germans wanted reunification as urgently as official German sources would have it. A few of the people I talked with were inclined to paint a dark picture of possible harmful consequences, even dangers, political as well as economic, that reunification might bring for Germany. My answer never failed to impress them: that although I, as a businessman, did not believe that reunification would have serious adverse economic effects, I would nevertheless accept them willingly if necessary, since in this issue the political and human aspects were of far greater importance. Drew Pearson, the highly intelligent columnist who shortly before had arranged an interview with President Johnson for the German magazine *Quick*, in which we were told to give in to the Russians a little, had no concrete proposals when I asked in what way we should meet the Russians halfway. When I said that we were the ones who had something to demand from the Russians, he asked with surprise what this could be. I answered, "The release of 17 million Germans from Russian suppression." Conversations such as this seemed to show that the Soviet propaganda line that nobody really wanted reunification except the West German militarists had been effective even in the United States.

When discussing foreign affairs I never failed to express our deep concern about the conflict between United States policy and that of General de Gaulle, which put such a heavy burden on the political relations of the free world and continuously complicated Bonn's position. American comments were hardly comforting. The United States, it was said, deliberately practiced a "policy of restraint" vis-à-vis de Gaulle and had tried to come to better terms with him even at the price of large concessions, but that all these efforts had so far failed on account of the stubbornness of the French leader.

I welcomed the opportunity to visit, in Gettysburg, General Eisen-

hower, the former Republican president and commander of the Allied forces during the Second World War. We discussed at length old and new problems; he showed much interest and open-mindedness toward developments on the international scene. In passing he commented that even though his ancestors had originally come from the Palatinate, the only German word he could pronounce properly was "Eisenhauer."

It was always a great source of pleasure to me that over the years my business connections took me more and more often to my native city of Munich. Periodical visits were and still are necessary to attend the directors' meetings of both the House of Siemens and the Allianz insurance company. In addition to these trips, there were frequently other reasons for a visit to the city on the Isar, such as, for instance, the meetings of the Cultural Council of German Industry.

In May I was in the Bavarian capital to attend the annual meeting of the German Museum, where I was elected co-chairman of the board. One fills this position for four years, the last two years as chairman. I was elected to succeed the Nobel Prize winner Professor Werner Heisenberg. The election takes place at the annual meeting of the German Museum after a traditional speech by the retiring chairman who is in charge of the meeting, and a speech by the newly elected chairman; as always, it was a pleasure to listen to Heisenberg's address. With Heisenberg, who is almost my contemporary, I share several things: the same birthplace, Würzburg, the years of our youth spent in Munich, the same high school, our love for music (Heisenberg is a very competent pianist), and now the German Museum—but unfortunately not the Nobel Prize. In my speech on this occasion I offered a few thoughts on technical progress, its blessings and its dangers. Soon after, the Bavarian government gave me reason for another visit to their capital. I was awarded the Bavarian Order of Merit, which was presented to me by Prime Minister Goppel.

Finally, in July 1964 I returned to Munich for the inauguration of the *Rindermarkt* ("cattle market") fountain in the center of town, directly behind the Marienplatz. I had presented this fountain to Munich as a visible token of my gratitude for the happy years of my youth I had spent there. The memory of my father had also played a role; he had lived and worked in this city, which he dearly loved, for many years. The artistic design of the fountain was decided in a competition, which was won by the Munich artist Joseph Henselmann. From the first to the final stages of the project, my wife and I followed

its development with the liveliest interest. During these days we became close friends with Henselmann, and derived much from this experience, both artistically and personally. I also came into closer contact with the mayor of Munich, Dr. Hanns-Joachim Vogel, who showed a sincere interest in this project from the first day; I learned to respect this man who, though still young, occupies an important position in West Germany's municipal politics.

The construction of fountains is a very gratifying undertaking in these construction-happy times. They have no practical purpose, but are built only to beautify a city and give pleasure to its citizens. The designer of a fountain has the special joy of almost unlimited freedom of artistic creativity. Our artist decided to have water run down terraced slabs of stone into a collecting pond. This is one of the characteristics of the fountain, apart, of course, from the distinguished central piece of sculpture itself. The theme, a group of cattle, suggested itself almost automatically since the fountain is placed in the old "cattle market," yet such a scene is no longer a common sight for the inhabitants of a metropolis. Its idyllic, bucolic tone is further emphasized by the figure of a herdsman who completes and at the same time unites the whole group. Henselmann's creation seemed to me particularly appropriate for the old center of a large modern city, a deliberate contrast to the furious traffic of our days, inviting the passer-by to stop for a moment of reflection. This touch of freshness exuded by the fountain and the representation of the rustic atmosphere soon, as it turned out, exerted its attraction on the nature-loving citizens of Munich.

Even if the cattle market had not been in the very heart of the city, our plans for the fountain would still have excited the lively interest of the citizens of Munich and their mouthpiece, the Munich press. Immediately upon the release of the plans they were discussed and commented upon. One critic remarked that in the cattle group the artist had created a prototype, even the archetype of oxen—an Ur-ox. Particularly in Munich the point was quite clear, the writer went on to say, since in the local vernacular, people are not infrequently referred to as "an ox with hooves" or even as an "Ur-ox." Well, the press is at liberty to interpret as it chooses. I am also quite convinced that no one in Munich will be offended from now on if his girl friend suggests they meet at the "cattle fountain."

The inauguration of the fountain by the city of Munich and the

ceremonies attending it were a happy event for me. I am grateful for the circumstances that made this creation possible.

The year 1964 was to bring still more festive occasions. October 19th marked the celebration of the centennial of the Klöckner-Humboldt-Deutz AG in Cologne. In 1864 Nikolaus August Otto and Eugen Langen had founded the Fabrik für Gaskraftmaschinen N. A. Otto and Cie. (factory for gas engines), which in 1872 was renamed Gasmotoren-Fabrik Deutz AG. These dates are of special importance since the company is the first and oldest in the world specializing in the construction of internal combustion engines. Later on, such well-known men as Gottlieb Daimler and Wilhelm Maybach, one as plant manager, the other as the head of the engineering department, worked for the company for more than a decade. At the beginning of the twentieth century the company took up production of diesel engines in cooperation with Rudolf Diesel—an important step in the growth of the company.

The renewed growth of the Klöckner-Humboldt-Deutz AG after the catastrophe of 1945 has been mentioned earlier. At the time of the anniversary the company was able to record impressive progress: 33,000 people were employed in its factories and administration; it had 250 factory agencies throughout the world; sales in 1964 had risen to 1.6 billion DM; and during the same period more than 100,000 engines and some 30,000 tractors had been manufactured. It was a happy coincidence that in the meantime the high-rise building serving as the administrative headquarters at Deutz had been completed. A small museum has been established in an annex of the building to house a chronological display of the development of the internal combustion engine. The place of honor is given to the four-cycle engine developed by Otto, on which the entire development of the internal combustion engine is based. The atmospheric engine, which Otto introduced at the World's Fair in Paris in 1867, where it was awarded a prize as a significant innovation, can also be seen in operation, as well as the small gas turbines and propulsion engines representing the end of this development, which today are manufactured, the most modern versions of this pioneering discovery, in our plant in Oberursel.

During this anniversary year, our enterprise in Cologne donated large sums of money for scientific, cultural and charitable purposes. The fact that the Wallraf-Richartz Museum in Cologne was among

the recipients, this time in the form of a flower still life by the French flower painter Fantin-Latour, will not come as a surprise.

One more festive event took place that month—the inauguration of the ore-unloading and transfer port of Weserport near Bremerhaven, which was built by the Klöckner-Werke in collaboration with the city of Bremen. The construction of this special port was in the interest of both parties, since the existing transfer docks for ore in other German ports were being used to full capacity and had in addition proven to be inaccessible for large ocean-going freighters. In the course of three years installations had been erected in Weserport that were able quickly to unload freighters up to a capacity of 70,000 tons, and automatically transfer the cargo to trains or to storage. Since the completion of the installations in 1964, a total of 12.5 million tons of ore have been unloaded in Weserport; two-thirds of this went to plants in the Klöckner complex and the remaining third to other companies. In the future it will be possible to unload even larger freighters in Weserport because of the deepening of the mouth of the Weser which is to be undertaken by the city of Bremen. The inauguration of the installations in Weserport was celebrated at the Columbus Railroad Station in Bremerhaven with the traditional speeches, among which those of the Minister of Transport, Dr. Hans-Christian Seeböhm and of the President of the Bremen Senate, Wilhelm Kaisen, deserve to be mentioned.

In order to lighten my work load I resigned toward the end of the year from my position as chairman of the Music Society of the Cultural Council of German Industry, a position that I had held for almost twelve years. In the final chapter of this book I will discuss the society in greater detail. In my reply to the kind letter I received from the Cultural Council about my resignation, I observed that it was always wiser to retire from an office at a time when not only you yourself but everyone else was still sorry to see you go. My successor on the board of the Music Society was the well-known banker Hermann J. Abs.

The year 1965 was fortunately much quieter than the preceding year, at least in the number of functions I had to attend. These memoirs also profited, for I was able to devote more time to them. Yet, measured by the actual mileage covered in travel, 1965 scarcely fell short of 1964.

The beginning of the year brought another trip to North and South America, mainly for business reasons. Following our stay in New

York and before continuing to Brazil, we spent a few days in Jamaica which was more or less on our way. However, negotiations regarding an important business matter made it impossible for me to spend my time enjoying nature, swimming, and golf: the telephone communications between Jamaica and Duisburg were too good for that! I could take calls directly on the beach thanks to a telephone suspended from a palm tree; the connection was almost as clear as if I had called Duisburg from a North Sea resort. A visit to Brazil and Argentina followed; there I visited, in particular, the Klöckner-Humboldt-Deutz factories in São Paulo, Belo Horizonte, and Buenos Aires.

Brazil was governed then as it is today by a semi-military regime which had taken power by coup d'état in 1964. São Paulo, the Chicago of South America, which I had not seen for almost four decades, has expanded tremendously over the years. Unfortunately, we did not have time to visit Rio de Janeiro and Brasilia, and so I had no opportunity for meeting any Brazilian politicians. Our itinerary included a trip by air to the fast-growing Belo Horizonte, the capital of the Brazilian state of Minas Gerais, where the Klöckner-Humboldt-Deutz AG operates a tractor factory in collaboration with Brazilian business associates. There we made an interesting tour of the surrounding hills which have contributed to the growth of the city because of their tremendous ore deposits. Only a few hours prior to our departure to São Paulo we returned from our excursion. Friends offered us the use of a small private airplane, which we politely declined because of a threatening thunderstorm. In fact, the weather was so bad that even the large four-engine airliner provided a rather bumpy ride on our return flight. Our companion told us the story of one of his friends who had traveled in a small private airplane under similar conditions in the interior of the country. During a heavy storm the airplane started bouncing around very badly, causing the passenger to ask the pilot whether there was any real danger. The pilot, no doubt intending to calm his passenger, told him that there was nothing to worry about: Every year four airplanes crashed in this vicinity and this year four had already come down!

In Argentina, a country blessed with natural resources, I was received by President Illia and several of his ministers; the much desired turn for the better had not yet come to pass, either politically or economically. The overthrow of Perón had taken place more than ten years before, but Peronism was still very much alive as a political attitude; no serious measures to fight the growing inflation and its side

effects had yet been taken. The engine and tractor plant that we operate in Buenos Aires in collaboration with Argentine associates, among them our friend Dr. Horacio N. Bruzone, has been doing considerably better in these bad times than anyone had dared to hope.

In Buenos Aires we met our oldest son Jörg and his small family; he was working for one year in the local Klöckner company. Their second child, a girl, was also born there. Parents and grandparents were a little alarmed at the thought that it might be a boy, since, being born in Argentina, he would have had to serve in the military twice, once in Argentina and once in Germany. Our friends tried to allay our fears by telling us that there was a good chance that by then this question would have been settled satisfactorily by international agreement. However, a solution had been hoped for even in the 1920s when I lived in Argentina, but not the slightest progress had been made since then.

Only a few weeks after our return home I had to leave again for the American continent. I have already mentioned this trip which was made in connection with the Volkswagen Foundation. In Washington I had an opportunity to inspect the much talked about new Germany embassy. It is the creation of the Karlsruhe architect Egon Eiermann, who later won two American architecture awards and also achieved fame with the reconstruction of the Kaiser Wilhelm Memorial Church in Berlin. In Washington he had solved a particularly difficult site problem in an ingenious and appealing manner.

Shortly after my return home, the former British Chancellor of the Exchequer, Reginald Maudling, one of the important men in England's Conservative party, paid us a visit in Duisburg. Maudling had met several American industrialists on a recent trip to the United States and, impressed by this, he had asked me whether I could arrange something similar for him on his brief visit to Germany. I was able to do so, and at a dinner party in our home introduced him to several influential men in German industry. We had a most stimulating discussion, and Maudling, as well as our German friends, seemed quite satisfied with the meeting. I invited him to lecture at our German Society for Foreign Affairs and he did so in the first part of 1966. When he visited us in Duisburg we found that he not only appreciated art, but was also a connoisseur who showed a lively interest in our collection.

The visit of the Queen of England to the German Federal Republic



had taken place shortly before this meeting. It was a most successful event and surely did much to improve German-British relations. In the course of a reception I was also presented to the Queen and we had a delightful, leisurely conversation. She listened to my recollections of the time I spent in London as a diplomat in the 'thirties, when she was only a child. Referring to my present position in industry, she commented smilingly that the experience and insight I had gained as a diplomat must certainly be useful now.

The summer of 1965 was a rainy one; not only were there constant downpours from the skies but the political weather had also changed for the worse. The war in Vietnam was spreading and its impact was more widely felt. On the eve of July 1, the Common Market experienced its most serious crisis when de Gaulle suddenly decided to withdraw France from participation because no formula could be found by the stipulated time for regulating the financing of the European agricultural market in keeping with his wishes.

In the German Federal Republic the situation also left much to be desired. The year 1965, an election year, had begun badly because of a conflict with Cairo, which was poorly handled by the office of the chancellor. Later, in the summer, the Bundestag was working overtime in order to get as much unfinished business done as possible before adjournment. The stepped-up tempo at which the legislative machinery was expected to work seemed quite inappropriate, but the desire to give away as many "election presents" as possible before the election assumed grotesque proportions. Billions were borrowed from the forthcoming budget without any thought being given to how this spending spree would ever be covered. With an election approaching, the federal government did nothing to stop all this, and the parties outdid one another in liberality. One could no longer speak of reason; that ceased to exist during the last weeks of the fourth legislative session in Bonn. After the new Bundestag had been elected and the government formed, most of these financial promises had to be revoked with the help of a special law to secure the budget, and the budget proposals themselves had to be cut back severely so that the budget for 1966 would be balanced at least to some extent.

Contrary to the expectations of many, this election again brought a sizable victory for the "election machine," Ludwig Erhard. The drawn-out negotiations for the formation of the new government were on anything but a high political level; however, the situation had not

been much better after elections under Adenauer. Yet one may well ask why Erhard did not exploit his personal victory to better advantage both in forming the government and later on. In any event, in the fall of 1965 the public looked to the future with anything but high expectations.

During November 1965 my wife and I spent a week in Israel. The Weizmann Institute in Rehovoth had invited me some time before to visit the country, and the institute was therefore our first stop. Meyer W. Weisgal, the director, showed us Weizmann's tomb, surrounded by a beautiful park, and the institute's laboratories, which are to be expanded. "Things are starting to take shape," he told us. "You should have seen it a few years ago." This phrase we heard over and over again on our visit. Weizmann had not only been the founder of the institute, but also Israel's first president. His widow (now also deceased) invited us to lunch. She was then in her eighties, a woman whose features still bore traces of her great beauty, and who combined natural dignity with courtesy.

We were also met with great kindness in Jerusalem where we had been invited by the Secretary of State of the Foreign Ministry; there we also were guests of a university professor and then an industrialist, each of our three hosts representing a different walk of life. Everywhere we met interesting people whose conversation rose beyond the daily platitudes; once again we became conscious of the culture and intelligence the Nazi regime had viciously driven away and destroyed.

The division of Jerusalem between Jordan and Israel reminded us of Berlin. At the time we were unable to visit the old part of town with its sacred places, since one could pass the Mandelbaum Gate only once, either going or coming. But from our hotel we had a breathtaking view of the old city of Jerusalem and the mountains glowing in the evening sun on the other side of the river Jordan. In the Israeli part of town we saw the beautiful new buildings of the university, the museum which had just recently opened, and the new parliament buildings, all modern structures which, however, do not have the artificial look that so many supermodern buildings have at home. Especially moving are the wonderful windows painted by Chagall for the synagogue of the new hospital.

A side trip to Galilee took us to Nazareth on lovely Lake Genezareth, to the site of ancient Capernaum and the place where the Sermon on the Mount was given. On the north side of Galilee we came close to

the Syrian border. We spent the night in a kibbutz, and its leader told us how its inhabitants lived and worked together. The houses, which they built themselves, are nestled in a large beautiful garden with a swimming pool, a dining house, and a nursery where most of the children also sleep.

At the end of our visit we took a flight across the Negev, an impressive rocky desert, to the Red Sea. Copper is still being mined in King Solomon's ancient mines. There we also visited a premilitary youth camp where fourteen-year-old boys and girls receive three months of training. Its purpose is to help the various groups of immigrants, from all parts of the world and different backgrounds, to get to know each other at an early age and to adapt themselves to their new surroundings.

The difference in generations is very noticeable in Israel. While the older generation expresses fears about the difficulties facing the country, the younger generation appears self-confident and optimistic. They certainly seem perfectly capable of defending Israel's independence and mastering its economic problems. The question as to what is most striking about Israel can best be answered with the title of Theodor Herzl's novel: *The Old Newland*. Never before have I seen an ancient country so new and so active.

The establishment in 1965 of diplomatic relations between Israel and the German Federal Republic must be listed as a positive achievement in the annals of our time. The road there, especially in its final stages, was anything but smooth; and in striking a balance today, the unsolved problems in our relations with the Arab nations represent a debit item that impairs the political position of the German Federal Republic. This development resulted, one may recall, from the unfortunate German shipment of weapons to Israel which stirred a wave of protest in the Arab countries, particularly in Egypt. It will always be hard to understand how it was possible, within the framework of the German-Israeli Treaty of 1952, which provided for an exchange of goods up to 3.2 billion DM, to include goods of this description. On the basis of this agreement we could have exported everything to Israel except arms, which are not a suitable export article for Germany in any case. But exactly the opposite happened. Both sides, Cairo and Bonn, then performed their countermoves in an atmosphere of anger and bitterness, resulting in the breaking of a good deal of "political china." The visit of East Germany's Ulbricht to Egypt was played up in West Germany, which was understandable but served to increase the visit's

political importance rather than to lessen it. Establishing diplomatic relations between Bonn and Israel in calmer times would probably have been a relatively smooth undertaking but under the circumstances it became a major political sensation resulting in a rupture of relations with no less than nine member states of the Arab League.

The Arab States had always threatened to break off relations with Bonn and to recognize the East German government if diplomatic relations between the German Federal Republic and Israel were ever established. While they unwillingly accepted other foreign countries, maintaining of diplomatic relations with Israel, they felt they could exercise special pressure on Bonn by threatening to recognize the Ulbricht regime, which in fact could be more effective than the occasional threats of boycott. Fortunately this question now belongs to the past, but much water will still have to flow down the Nile and the Euphrates before West German differences with the Arab countries will be settled. The "Blitzkrieg" between Israel and the Arab States in June 1967 will, because of the circumstances involved, further delay any progress in this respect. This war, incidentally, demonstrated to all the world that the Israelis brought to the task of building their young nation strength, determination, and the will to assert themselves, come what may. One can only hope that they may be successful in settling the differences with their neighbors so that peaceful development can continue without interruption.

The year 1965 brought a turning point in the German Federal Republic that widely affected industry. Until then the economy had flourished, but despite this we had some cause for serious concern. Warning signs heralding a change in the climate of the market had been appearing on the horizon for some time. The balance of payments of the Federal Republic showed a disquieting trend, and our constantly rising production costs were creating an increasingly more serious problem, affecting our ability to compete in other parts of the world. In the steel industry we had to deal also with the growing over-supply of steel on the world market; a number of former consumer countries, by building their own steel plants, had not only reduced their imports but were also flooding the international market with their excess production. The prospects for the steel industry, which plays such an important part in the German economy, especially as an earner of foreign currency, were far from promising. Market conditions, in fact, deteriorated visibly and reached their nadir in 1967.

Fortunately, there was an upward trend in the following years, with a considerable increase in the demand for steel, resolving the difficulties for the time being. How long this upward trend will last cannot, of course, be foreseen, but let us hope that it lasts for some time to come.

During 1938–39, the last complete financial year before the Second World War, the three large Klöckner enterprises had reached gross sales of altogether 735 million Reichsmarks (distributed roughly in equal parts among the three). At the end of the present financial year (1967) the Klöckner-Werke reached a gross sales figure of 2.3 billion Deutsche marks (producing 3.4 million tons of raw steel and having considerably expanded their processing capacity). Klöckner-Humboldt-Deutz had slightly larger gross sales of 2.5 billion DM, and Klöckner and Co. was able to raise its turnover to as much as 4.7 billion DM. Altogether, therefore, we had total gross sales of 9.5 billion DM, of which 7.6 billion DM remain after subtracting inter-company transactions. This puts us in the top group of large German enterprises. Peter Klöckner would have been delighted at those figures. I myself have always been conscious of the fact that favorable market conditions speeded us on our way, but at the same time these results were also the fruit of much hard and devoted labor on the part of thousands of workers in the administration and plants of our business.

Taking the long view, world steel consumption will in all probability continue to increase substantially. If we look back over the last thirty years, this trend becomes obvious. Thirty years ago the Klöckner-Werke produced about 1.1 million tons of raw steel, a figure that has since been tripled. We have thus gone ahead of the other steel producers in the German Federal Republic who, during the same period, only doubled their production, so that by 1968 the Klöckner-Werke occupied a position in Germany of much greater importance than in the past. However, the share of the Federal Republic in the world production of steel has decreased.

The same review would indicate that thirty years ago the total world production of raw steel was 110 million tons (about one-fifth of what it is today), while in 1968 and 1969 it had risen by 30 million tons each year, and in 1969 amounted altogether to 560 million tons. On the average, an additional 12 million tons of steel will be needed just to meet the basic needs of the increase in population; the development of higher living standards will require considerably more. Our prognosticators—who are known never to be wrong (!)—have estimated

that by 1980 the number of private cars in the Federal Republic will have approximately doubled. Only then shall we have reached the degree of motorization that has existed in the United States for some time. In order to keep pace with this development, new highways, costing about 60 billion DM, will have to be built in Germany by 1980, and here, too, steel plays an essential role. However, our domestic steel industry has to face increasing competition from abroad, both from our partners in the European Economic Community and from the other great steel-producing countries. In France and Belgium (the French steel industry has always been strongly entrenched), the government actively supports extensive modernization programs, and Japan's steel industry, not least because of the government's understanding attitude, shows signs of reaching an optimal level of productivity.

In our country, on the other hand, the steel industry has been left to its own devices. There has been little appreciation of the fact that this economic policy has been in sharp contrast to those of most of the other great industrial countries. Undoubtedly one of the reasons was the steady upward trend in our economy after 1949 and the considerable earnings in foreign currency netted by our export trade. However, it is also a fact that in the past our economic policy has been too consumer-oriented and too concerned with furthering the import of consumer goods. Considering that the basic and capital goods industries represent an especially important sector of our economy, on whose position in the world market the Federal Republic's importance largely depends, it would seem that a reorientation of our industrial policy is urgently needed, not, let it be understood, in the sense of a directed and planned economy, but by a readiness on the part of the government to give the kind of support these industries need and deserve.

The steel industry in the Federal Republic has to contend with still further difficulties. If one excludes the United States, it is precisely in the Coal, Iron and Steel Community where excess supply is most serious, although somewhat hidden at present by the recent increase in demand. Compared with the steel industry in its partner countries, German industry operates under less favorable conditions. I want to mention the French steel plan in this connection, which provides for far-reaching governmental aid to the French steel industry. As a result the member states of the Coal, Iron and Steel Community have for a number of years been able to take over a good fifth, frequently as much

as a quarter, and sometimes even more of our domestic market. The treaty establishing the Coal, Iron and Steel Community has no provisions that could effectively relieve the handicap under which the German steel industry must labor. We should like to believe that the fusion of the Coal, Iron and Steel Community with the Common Market and EURATOM, for which preparations were finally set in motion in 1967, will bring about some essential changes, so that the unsatisfactory present situation will be only temporary. However, such a change will hardly come about by itself; it remains the responsibility of the federal government to see that it does occur.

In view of this development it is not surprising that occasional doubts have been expressed about whether the Federal Republic's participation in establishing the Coal, Iron and Steel Community in 1951 has really been in the interests of the German coal and steel industry. However, it must be remembered that this question cannot be considered only from the point of view of profitability. We knew from the beginning that the CISC would have certain economic disadvantages for us, particularly for our steel industry, as, incidentally, I always pointed out in Bonn when we were discussing the pros and cons of joining the CISC. But the Schuman Plan was above all a political proposal of far-reaching importance and thus had to be considered first and foremost from a political point of view. It offered a unique opportunity for building a new Europe with German participation; to have turned it down would have had very serious political consequences. In addition, our participation in the Coal, Iron and Steel Community put an end to the strangulation of the German steel industry by the victorious powers in the Second World War, bringing us to full equality with the other countries. It is for these reasons that I am still of the opinion that joining the Community was undoubtedly the only right and possible course for us to take at the time.

From an economic viewpoint, too, integration into a larger economic area was what the time required even if it meant opening the door to foreign competition. When the CISC was formed it was hoped that it would be but a first step toward the economic as well as the political union of free Europe. If this hope had been fulfilled, the inequalities in competitive conditions caused by the formation of the CISC would have been short-lived. It is contrary to the idea of a united Europe to allow economic integration to become a one-way street that smoothes the way for foreign sales in the Federal Republic without creating corresponding opportunities for the sale of German products in the part-

ner countries. If this situation did nevertheless develop for the steel industry, it was because competitive conditions were unequal and the reduction of tariffs was not accompanied by an equalization of taxes. The High Authority in Luxembourg did not, as it had been hoped, become a supranational ministry for the whole sphere of the coal, iron, and steel industry. However, it would be unjust to attribute to the High Authority the entire blame for this failure. It is, after all, the responsibility of each country to keep its own industry competitive and to see to it that an industry is not so burdened with taxes and a continuous rise in labor costs that it is bound to fall behind its competitors in the Common Market. It may well be doubted whether those concerned in the Federal Republic, both politically and economically, are sufficiently aware of this situation and all that it implies.

That doubts were expressed about the usefulness of the Coal, Iron and Steel Community was not at all surprising, since that same year, 1965, also witnessed a serious crisis of the Common Market, touched off by de Gaulle in Brussels on the night of June 30–July 1, and resulting in France's refusal to cooperate for many months. The whole future of the Common Market seemed to be in question.

A short time before, the Brussels Commission had presented the Council of Ministers with draft ordinances for the financing of the agricultural market; in retrospect it can be seen that this action was an important contributing factor to the subsequent fiasco. The new regulations envisaged the creation of autonomous sources of income for the Common Market to be administered by the commission, as well as the extension of the authority of the Council of Europe by granting it budgetary powers. Although those proposals were in themselves quite legitimate and in keeping with the intentions and goals of the Treaty of Rome, it is questionable whether it was politically either astute or expedient to present them to the Council of Ministers in the spring of 1965. The Brussels Commission cannot, after all, have been ignorant of de Gaulle's opinion of any of the so-called supranational institutions or of his disinclination to proceed along the road of strengthening the organs of the Common Market. Seen in that light, the crisis did not really arise over the problems of agricultural financing, which undoubtedly could have been solved, given mutual good will; it was rather touched off by the fundamental question of whether or not the European Common Market should become supranational in character. This alone explains de Gaulle's ruthless action, which was hardly in



keeping with the Treaty of Rome, and which at the same time made it all too easy for both the commission and the other countries in the partnership to blame the French chief of state for all the resulting difficulties.

At the beginning of 1966 the French agreed to a compromise and reentered the Council of Ministers, and the Common Market was put back on its feet. The price France demanded for this was not as high as had been expected: she had apparently realized that a collapse of the Common Market would not serve her own economic interests but rather harm them seriously. Paris was satisfied to have effectively prevented the further extension of the supranational powers of the Common Market and to have preserved for the future the right to exercise a veto. To a certain degree this relegated the Common Market to the function of a purely utilitarian economic association. The commission's legal position was not seriously affected by the compromise, but it nevertheless was given a lesson that will strongly impede any future attempts to expand the supranational functions of the Common Market.

For the immediate future it will, therefore, be well to lower our original expectations that the Common Market might develop into a genuine European economic union. It is never easy to harmonize the desire for unimpeded sovereignty with self-denying community spirit. There is also the question of whether by expanding the circle of its members the Common Market will be able to offset the defeat it sustained in striving for further integration. Despite the setback suffered in 1963, Great Britain and other countries still want to join. Their membership remains desirable provided they are ready fully to accept the essential conditions of the Treaty of Rome and its further extension.

As for the attitude of the Federal Republic toward the Common Market as well as toward the Coal, Iron and Steel Community, one cannot help feeling that during recent years it has pursued too compliant a course. Since several of our partners have begun to press their own special interests very vigorously, we cannot continue more or less as the only ones to practice the virtue of sacrificing our interests to those of the community; such conduct is bound to put us eventually at a disadvantage and rob us of the fruits of the whole organization.

Despite many remaining questions regarding the future of the Common Market, there is no reason for excessive pessimism. By weathering the crisis of 1965 the Common Market proved that it is strong

enough to ride out such a storm. The resolutions of July 1966 regulating agricultural policy, which made possible the successful participation of the Common Market in the Kennedy Round, further consolidated its position. It is evident that the partners' concern to maintain the Common Market is greater than their special interests and basic differences of opinion. This was demonstrated again when at the end of 1969 it was possible to arrive at a compromise solution of the difficult problem of financing a joint agricultural policy. Let us hope that the continued existence of the Common Market, which now seems to be assured, will eventually also lead to positive results on the political level.

During 1965 public opinion both in Germany and abroad was aroused by the question of the impending expiration of the statute of limitations on crimes committed in connection with the Nazi policy of the extermination of the Jews. Until very recently, new and hitherto completely unknown incriminating material was being brought to light. In view of legal doubts on amending penal laws with retroactive force, the Bundestag found a way out by voting to let the twenty-year statute of limitations run from 1949, the year in which the Federal Republic was granted unlimited jurisdiction by the victorious powers. This, obviously, was in the nature of a half measure that merely resulted in an extension of time. If I had had a voice in the decision, I would, after weighing all the pros and cons, have voted for rescinding the statute of limitations. In the meantime, provision has been made for the criminal prosecution of all those cases in which the indictment was for murder.

In February 1966, following our visit to Israel, my wife and I made a no less interesting trip to South Africa. I had long wanted to gain personal knowledge of the Republic of South Africa, a land of abundant opportunities as well as hotly debated problems. Flying from our northern winter to the southern sunshine, we first stayed on the coast near Durban and then paid a visit to the new "Bantustan" of the Transkei. From there we traveled to Capetown, visiting diamond and gold mines in the heart of the country, as well as a small Klöckner plant situated in the midst of one of the great gold fields; we ended our trip in Johannesburg, the economic center of South Africa.

As everyone knows, South Africa's major problem is the question of maintaining the hegemony of its white population of European

descent in a country where the whites are only a bare one-fifth of a total population consisting otherwise of Negroes, smaller groups of Indians, and "Cape Colored"—people of mixed race. Since the Nationalist party came to power almost twenty years ago, the government, supported by a large majority of the white population, has tried to solve this problem by the policy of *apartheid*, that is, separation of the races. However, this policy is not confined to social separation only; it also reserves citizenship rights more or less exclusively to the whites. Over this issue the country has fallen out with Great Britain and the Commonwealth and has withdrawn from the latter. All the non-white nations in the world naturally regard *apartheid* as a constant provocation, but it is considered intolerable not only by them, but also by many Europeans and Americans who, since Hitler's racial doctrines, have become sensitive to any kind of racial discrimination.

At the same time, because of its great natural resources, South Africa has prospered tremendously, and nowhere in the whole of Africa can the black population find similar opportunities for attaining a better standard of living and higher earnings. However, as soon as the black population attempts to protest against the deprivation of political rights, it is immediately met by the most severe oppressive measures on the part of the South African government. In the absence of any kind of safety valve, this situation could one day lead to an explosion.

To replace racial separation with racial integration is neither, in the nature of things, possible for the South African government nor desired by whites or blacks. To grant racial equality would inevitably lead to the rule of the black majority. As a way out of this difficult situation, South African Prime Minister Verwoerd (who was assassinated in 1966) had, during the early 1960s, developed a plan of dividing the republic into white and black territories and granting a wide degree of independence to the blacks in their reservations, called "Bantustans." The first "Bantustan," the Transkei, a territory southwest of Durban and almost as large as Denmark, was established in 1961. Other similar territories, although of smaller size, were planned. Practically speaking, however, this solution has its shortcomings because the black population continues to crowd into the metropolitan and industrial areas where the earning possibilities are much greater than on the farms. The South African government is hardly likely to be willing or able to allocate larger cities or other industrial areas as Bantustan territories.

It would be unjust not to recognize the dilemma in which any South African government is bound to find itself because of the ethnic situation. Only tragedy could ensue from the complete abandonment of the present policy; events in the rest of Africa have shown very clearly what happens when the colonial powers surrender the reins too suddenly. The Anglo-Saxon world in particular would do well to show greater understanding for the policies of the South African government and not to condemn them so vehemently in the name of racial equality. Comparisons with the situation in the United States are altogether misplaced because the ratio in the U.S. between whites and blacks is the reverse of that in South Africa.

The Nationalist party in South Africa was surely rather misguided when it inaugurated its regime with a proclamation of intolerance, making it in effect into a doctrine that is even forced on the South African churches. Perhaps even worse was the attempt to enforce it by means of a series of humiliating and petty regulations that embittered the blacks, and practically compelled the white population to consider itself as nothing less than a master race, as the Spartans were vis-à-vis the helots in ancient Greece. Even white citizens who violate the race restrictions are treated with such harshness that one such case some time ago provoked the white South African students to take to the streets of Johannesburg in protest demonstrations. By these excesses in its *apartheid* policy, the South African government has itself contributed to clouding the picture which the world has formed of the country.

The whites in South Africa are obviously constantly aware of the disapproval of the rest of the world and would like nothing better than to be able to correct the situation. I, at least, hardly met anyone who was not almost immediately ready to talk about it. For the rest, there is a spirit of growing confidence in the future of the country, a confidence that its abundant natural resources certainly justify. It is difficult to say to what extent there lurks beneath this confident surface a latent fear that the racial problem may after all prove insoluble and that one day the smoldering volcano will erupt. I certainly was unable to detect any sign of it during my visit; but an American journalist, who stayed in South Africa for some time to study the situation, may have been right in saying that while white South Africans never show any sign of anxiety, it nevertheless accompanies them like their own shadow.

A visit to the Bantustan of the Transkei added another meaningful

impression to our picture of South Africa. The Transkei is reached by traveling south from Durban and crossing the River Kei. The territory rises from the coast into the mountains and is mainly inhabited by the Bantu tribes of the Xhosa who in future are to administer and manage it themselves exclusively, although many whites are still present as economic, financial, and administrative advisers. The Transkei is said to be a particularly fertile region, with corn being the major crop. However, the top soil has eroded as a result of improper grazing, so that its fertility must be largely restored with new agricultural methods.

Solving these problems is made more difficult by the fact that the blacks seem to have little if any acquisitive instinct. The following story is an indication of how much educational work still has to be done: A black farmer whose land had doubled its produce after he had used the methods demonstrated by the whites left it untilled the following year. Asked why he did not continue to do as he had been taught, he replied, "Why should I? Last year I harvested twice as much as the year before; now I have enough for two years."

In Umtata, the capital of the territory, we paid a visit to the commissioner, who is the representative of the government in Pretoria. He was of the opinion that the mentality of the blacks is so different from that of the whites that one can only proceed very slowly. He felt that industries of any size would be quite misplaced in the territory; one should begin with small factories related to agriculture and meeting the primitive needs of the black population, such as the manufacture of wood furniture or jute sacking, followed by weaving mills, etc. These would very gradually form the basis of a more advanced industrial development. We thought we could detect in his tone a hint that there was no need to hurry the black population along the road to independence.

We also met the black Minister of Education, who made a good impression on us. We learned that education is compulsory and that admission to high schools and the South African universities outside the Transkei is possible insofar as school regulations concerning blacks permit. (Since then a UNESCO report indicates that this is possible only to a very limited degree.) The Minister expressed regret that so few were ready to become teachers, since the profession is seriously understaffed. Most of the blacks want to study law because they are particularly gifted as debaters and orators, as is evident when parliament meets twice a year in Umtata. Lastly, we were introduced to the Prime Minister of the Transkei, who bore the imposing name of

Kaizer Matanzima. He was a tall, handsome man who greeted us with a deeply serious mien, undoubtedly feeling that he owed this to his position. Even apart from this, he impressed us as a serious and thoughtful man. However, when a humorous remark made him laugh, his expression changed to that of a merry young boy.

Undoubtedly South Africa is doing its best to make a success of the Transkei experiment, and the caution being exercised in its development certainly deserves commendation. The example of many other developing countries has shown that to start with such things as steel mills or airlines for reasons of prestige is hardly worthy of imitation. The white advisers in the Transkei obviously bring conviction and honesty to their work and seem to harbor no inner reservations (though occasionally there may be exceptions to this attitude).

This part of the world, which in the past has known such men as Cecil Rhodes, Botha and Smuts, has so far not produced a statesman able to point the way to a generally acceptable solution. Let us hope that this may yet happen, although it is doubtful whether this problem, a legacy of European expansion, admits of a solution satisfactory to black and white alike. The majority of South Africans feel that there is only an "either/or"—that the country will either be governed by the whites or the blacks, and that in the latter case the whites would have to leave. Yet the white and black races are dependent on each other if the promising development of the country is to continue.

If at the beginning of the sixties it could still be considered doubtful in Germany that the postwar period had really ended, the first half of 1966 brought about developments in the international situation clearly indicating that a structural change had come about in the overall political situation and that we were in the midst of a rapid transition to a new era. The dominant developments were the progressive entanglement of the United States in the Vietnam war and, probably not unrelated to this, the crisis in NATO provoked by de Gaulle. The consequences of the total withdrawal of France from NATO cannot yet be conclusively assessed; even after de Gaulle's resignation in 1969 the French attitude towards NATO did not change. While his successor, Georges Pompidou, seems somewhat more responsive to international collaboration, it remains to be seen what practical effect this will have on the policies of the French government.

The escalation of the war in Vietnam has caused increasing concern in Europe. The American government has repeatedly made public its

reasons for its policy, and regards the Vietnam war as a test case of whether the free world is willing and able to defend freedom even in far-off countries or whether communism is to gain further ground by so-called "wars of liberation." That the Vietnam war should adversely affect the total international situation is inevitable. The rather successful start that Kennedy had made towards a détente between Washington and Moscow was almost nullified by the war, and even under Johnson could not really be revived. It remains to be seen how far President Nixon's new attempts will be successful, although the resumption of negotiations in 1969 was certainly welcome. The war in Vietnam may still continue for a long time even if the actual fighting is reduced, unless the government in Hanoi, in alliance with the Viet Cong, decides one day to forgo its attempt to force its own communist regime on South Vietnam. For years now the war has tied up the energies of the United States in South Vietnam, and America's policy has been focused so much on this region that its role as the leading power of the free world has at times suffered.

Bonn, too, has had its unfortunate experiences as a result of this situation. Repeated attempts of the Federal Republic during 1965 to have the question of German reunification allotted a more important place on the international agenda failed completely. This was not surprising because Washington had problems that seemed much more urgent. It is in this connection that the issue of the partial withdrawal of American forces from the Federal Republic has been raised in the United States, and probably will be raised again.

Yet it certainly would be quite wrong if we, too, were to succumb to the temptation of regarding the American involvement in Vietnam with resentment and were to add our voice to the negative criticism that has become fashionable internationally. In Vietnam the United States is pursuing the policy of containment that Truman initiated, namely to set limits on the further expansion of totalitarianism. When the Americans opposed the expansionist drive of communism in Korea, the whole free world applauded them. Why should they be condemned for doing the same thing in Vietnam? It is our freedom also that they are defending, even though in both cases they are also seeking to ensure their own security. Inevitably we Germans are reminded of the situation in Berlin. We can observe the Vietnam war only from afar, yet we have a vital interest in its being concluded in such a way that the Americans do not tire of continuing their worldwide policy of remaining firm in the face of communism. They have

made great sacrifices for the sake of this, both materially and in human lives, sacrifices that may increase still more, and they should be assured that they can count on our understanding and sympathy in their struggle. Adverse criticism and protests only encourage Hanoi and thus prolong the war.

It almost seems as if the era of the cold war, which so far has become a hot war only in isolated areas of tension, has been replaced by the era of "the big lie": half the world constantly accuses the other side of aggression or aggressive intentions, regardless of whether it is in Vietnam, the Near East or on the question of the reunification of Germany.

In the Federal Republic the year 1966 witnessed an important turning point: the changeover from Ludwig Erhard's chancellorship to the cabinet of the Great Coalition under Kurt Georg Kiesinger. Erhard's work as chancellor had been dogged by much ill luck. No successes had been scored in foreign affairs. His hope to advance the union of Europe proved to be illusory; several small steps undertaken to improve relations with the East brought no results. At the beginning of Erhard's term of office the economic situation was still satisfactory, but by the winter of 1963-64 considerable unrest and uncertainty were making themselves felt. For German industry, the following years were marked by constant increases in costs, particularly wages and salaries, and diminishing profits, growing domestic consumption and a decrease in the export surplus, and a tendency toward a deficit in our balance of payments, until eventually a definite recession began in 1966.

Another circumstance worked even more to hurt Erhard's position, namely the spending spree that came to possess the whole population, particularly the numerous public bodies—spending that paid no heed to whether income balanced outlay. The beginnings of this evil go back to the Adenauer era. Again and again cuts in the budget were promised but never made, while expenditures rose steadily. The situation reached a high point with the "election gifts" of 1965 which have already been mentioned. But despite the subsequent sobering reaction, there was no end to the flood of disbursements; Erhard's appeals for moderation were simply ignored, most of all by his own government. When the treasury was found to be empty the government departments simply turned to a policy of obtaining loans and credits, with the sky apparently the limit. This depressing picture was rounded off by the



unions, ever ready to make new demands for increased wages, and by the social welfare officials who were convinced that they could continue to plan as if resources were limitless.

Despite his misgivings, the Chancellor allowed matters to take their course and only rather late in the day decided to submit a draft for a stabilizing law. He is partly to blame that the public failed to realize earlier that difficult times lay ahead; instead of predicting a period of "sweat and tears" for all, as late as the fall of 1966 he announced with his usual optimism that the worst was already over, a statement that could hardly have been more inappropriate.

The result was the collapse of the capital market and the fiasco of the government's fiscal policy. The federal budget for 1967 showed a gaping deficit, which for the following years promised to widen rather than contract. While the government was letting matters get out of hand, the Federal Bank alone, under its President Karl Blessing, tried to steer a course away from the abyss by instituting a strongly restrictive policy. Opinions may differ concerning the specific measures it adopted, but it is to the bank's lasting credit that instead of talking it took action, which finally opened the eyes of the government departments and forced them to change their dangerous course. The only misfortune was that while the measures taken by the Federal Bank could exert but little direct influence on public spending, they exerted an increasingly adverse effect on the economy by steadily diminishing the attractiveness and even the opportunity for new investment which, when all is said and done, is the lifeblood of economic development.

The growing financial and economic difficulties were accompanied by political developments that were equally detrimental to Erhard's coalition government. This became particularly apparent in the parliamentary elections for the province of North Rhine-Westphalia, and subsequently in the provinces of Hesse and Bavaria. The conviction grew that the days of Erhard's government were numbered. The end came when in the last days of October the Free Democratic ministers resigned from the cabinet because, so they said, they could not possibly countenance an increase in taxes; presumably their move was dictated more by tactical considerations than by political wisdom. After a series of laborious negotiations the cabinet of the "Great Coalition" under Kurt Georg Kiesinger was eventually formed, primarily because there was no other way of resolving the crisis.

From the beginning the cabinet of the Great Coalition constantly had to find compromises between the two large parties that had formed

it, and it was faced with difficult problems on every side. The most urgent of these was putting the public finances in order; the 1967 budget, which was more or less balanced, could only be regarded as a beginning. As everyone had become so used to the bountiful disbursement of public funds, it was a veritable labor of Sisyphus. It was no mean achievement that within a period of barely three years Kiesinger's cabinet and his Minister of Finance, Franz Josef Strauss, by following the principles of a social market economy managed not only to prevent a continued erosion of the currency but also to bring about renewed economic growth. Their task was considerably eased by the strong upward trend in the market which began in 1967, and it was once again made apparent that our fate is closely linked to the state of the market. In fact our exports, which make the largest contribution to the prosperity of our economy, increased to such an extent that new currency difficulties arose which many experts felt could be resolved only by increasing the value of the mark. Chancellor Kiesinger, however, declined to take this step. It was taken only after the 1969 elections when Willy Brandt's new cabinet was formed, based on the Social Democratic Party and the Free Democratic Party. It remains to be seen what ultimate effects the measure will have.

The downward trend in the market that occurred in the mid-1960s naturally also affected the Klöckner companies. For the financial year of 1964-65, gross sales dropped both in Klöckner-Werke and KHD, although for the time being only to a moderate degree. The trading company of Klöckner and Co. in Duisburg, however, enjoyed continuing satisfactory sales through 1965; a decline set in only the following year. Since 1938, when Peter Klöckner asked me to join him as junior partner, I have been particularly closely connected with this, the parent company of the Klöckner enterprises. After his death I became, in 1942, the sole partner of the firm and since then I have been able to direct its destiny for more than a quarter of a century with the help of my excellent associates. I think it may be of interest to review briefly the progress made by the firm in that period.

Apart from being a holding company, Klöckner and Co. has, since the beginning of the forties been a wholesaler in both the domestic and the foreign markets for products of the basic industries, having become full owner of the Klöckner Shipping and Coal Company. After the disorders of the war and the immediate postwar period, and since we have once more been able to work without restrictions, the total turn-

over of the parent firm has grown steadily. This growth took place almost without reverses so that Klöckner and Co. has become the largest trading company in the German Federal Republic.

Trade in steel still heads the list of our activities and has steadily expanded both in size and variety, but a great number of other important products have in the course of the years been added to the traditional trade in steel and coal. Apart from the commodities closely related to our basic products, such as scrap iron, pig iron, ores, alloys and nonferrous metals, we also deal in fuel oil, building materials, chemical products (particularly fertilizers and motor fuel), building machinery and machine tools, as well as synthetic materials of the most varied kind—a colorful array of products that on occasion I have referred to as general merchandise.

As coal was increasingly displaced by fuel oil and natural gas it became necessary for us to add fuels other than coal to our business. At times outsiders have misunderstood this step and criticized us for ruining our coal market by our own competition, as if the competitive ability of coal could be improved by simply ignoring the demand for oil in the fuel market. A sales firm must serve the consumer and can only give him reliable advice and supply the appropriate type of fuel if it can provide every form of it.

Other important business activities were added to those mentioned above, particularly the construction of industrial plants, large and small, in all areas of production and in a large number of countries, particularly overseas; technical services of different kinds; the supply of water-treating plants, oil and gas furnaces, and air conditioning; and the steadily expanding machine-leasing business. Finally, we are also in the freight business, functioning as forwarding agents and in the loading and unloading of cargo in all major ports between Antwerp and Hamburg, and have recently added air freight to our activities. Special mention must be made of our shipping trade, although inland navigation, formerly an important field of activity, has gradually become a problem child; for years now earnings have been insufficient for a variety of reasons. We have enjoyed greater success with our two bulk goods overseas freighters, the large motor vessels *Anneliese* and *Inge*, which are almost continuously in full service and have brought us not inconsiderable profits.

In the course of the years the Klöckner group of trading firms has established a network of branches and agencies in all the important countries in the world. Some of these are companies, incorporated

abroad, which have taken root in their host countries and, not restricted solely to the import of Klöckner products, have expanded their activities to most of the other lines of business in which Klöckner and Co. is active today. They also do business within their host countries and from the positions they hold in the foreign trade of their country, follow the main currents of global trade with the import and export of goods on their own account.

Lastly, I should mention the large interests Klöckner and Co. has in other firms, the foremost among them being Klöckner-Humboldt-Deutz AG in Cologne. In addition we have participating interests in a great number of large, medium, and small companies where we hold 50 or more per cent of the shares, and an even larger number of companies where our interest is less than 50 per cent.

This important network of participating interests was expanded in 1965 and 1966 by the addition of three firms that are a dynamic demonstration of the growth of the Klöckner trading group. We acquired a majority interest in the machine tools firm of Hoffmann Brothers in Hamburg, thereby becoming one of the largest companies for the sale of machine tools in the Federal Republic and making our contribution to the industrialization of the world in this important area as well. Our interests in shipping, freight forwarding, and the fuel trade were expanded profitably when we acquired an interest in the well-known and long-established firm of Fisser & Van Doornum in Emden, a company whose turnover in 1969 amounted to about 160 million DM. And lastly, at the end of 1966 Klöckner and Co., entering into a joint venture with one of the large international production groups, founded the Klöckner-Alcan-Aluminium GmbH & Co. in Düsseldorf, in which we and the Alcan-Aluminiumwerke GmbH, Frankfurt (a subsidiary of the Canadian Alcan group) each own 50 per cent. On the basis of this partnership our trading group has taken a very important step forward in a new and promising field, the trade in aluminum and aluminum products.

Altogether the group associated with Klöckner and Co. achieved a total turnover of 4.7 billion DM in 1969. In accord with an old established principle not to distribute any unearned income, our annual profits are regularly reinvested in our enterprise for its continued expansion. However, all the descendants of the founder's family are given the opportunity to work in Klöckner enterprises and to be promoted to top executive positions if they have the necessary ability. Since 1964 we have been publishing the consolidated financial state-

ments of the Klöckner and Co. group even though as a privately held company we are not legally obliged to do so; and since 1965 we have added a detailed business report. Of the 90,000 people working in all the Klöckner enterprises (until the end of 1969 including our coal mines), more than 10,000 are proud to devote their energies to Klöckner and Co. itself.

This survey of the development of the firm of Klöckner and Co. indicates the direction that we hope our firm will follow in the future. Our existing lines of business are being systematically expanded as others are added from related areas, to give our modern and efficient firm as diversified a base as possible and the needed flexibility to deal with market fluctuations and structural changes that inevitably arise in a dynamic economy.

The Klöckner-Werke, which are mainly concerned with producing basic raw materials, will in the future have some difficult problems to overcome, due not so much to periodic market fluctuations as to structural changes. The enormous increase in the world production of steel means in the long run that only enterprises of optimum size will survive. Only they will be able to benefit from the twofold decrease in costs that the lower investment and production expenses of large-scale production units make possible. In the German Federal Republic this will hardly be possible without certain regroupings, because almost all our steel plants are considerably smaller than the optimum size. This has become an important problem, all the more so since steel industries in other countries, as has been pointed out above, are extensively subsidized by their respective governments.

As regards Klöckner specifically, we believe that our Bremen works offer special opportunities along these lines. For the rest, we shall continue to endeavor to improve the earnings of the Klöckner-Werke by extending their processing capacity.

The situation of the Klöckner-Humboldt-Deutz AG is again of a different nature. In the mid-sixties this enterprise made expansion its primary concern. Here, too, economic developments have brought about a change. In order to maintain our position we must even more effectively than before seek to streamline and modernize our construction, manufacturing, administrative and sales methods. Technology does not stand still, and as world markets become progressively more accessible and competition keener, new ideas must constantly be put into practice. To realize this, KHD has invested a large sum in the

construction of a central research and testing plant near Cologne for the development, construction and testing of engines as well as wheel and caterpillar tractors. There, away from the daily pressures of production, our technicians have the opportunity to put into effect new ideas that will advance the development of our manufacturing program.

Extensive additional investments have been made in KHD in order to streamline its plants. In 1967 a new tractor engine plant was put into operation in Cologne and a modern engine factory was erected in Ulm-Donautal in 1968. Our construction of medium-size and large-size engines is also to be reorganized. Beyond that we have been devoting special attention to strengthening our sales organization both at home and abroad in order to maintain and, where possible, to enlarge our share of the market. Present construction is particularly concerned with our foundries, with production of small, high-speed air-cooled diesel engines, with preparations for a new caterpillar tractor production plant in Cologne, and with the expansion of the load capacity of the trucks we build in Ulm, as well as with the continued development of research in every respect.

Never before has technological progress or, to use a term in fashion at the moment, the "escalation" of technology, taken place at so rapid and almost breathtaking a pace as in our time. A product that is new today may already be out of date next year. Our only comfort is that our competitors are in much the same position. However, the Americans, in particular, are not only stronger than we are in their command of capital resources, but they also have the further advantage that their huge costs for research and development are largely borne by the government. In this respect our situation in the financially vulnerable German Federal Republic is far from encouraging. In Japan, too, tremendous technical progress has been made during the past decade and has made that country the most powerful competitor in the world in a great number of fields.

No one can predict with certainty where further developments will lead. Only one thing is sure: the world in which we are living is changing at almost supersonic speed and in a dozen years from now will probably look quite different. Yet the signs of the times by no means point only to progress and continued improvement. It is precisely in this age of highest technical development that the rule of the white man in the world is approaching its end. And yet the great changes

which are taking place in the former colonial areas signify the ascendancy of Western civilization: to make its achievements their own seems to be the principal desire of all the non-European nations. Although forced to abdicate as master and having to accept the role of adviser and capital investor, found after all to be indispensable, the West is actually triumphing. In the developing countries the process of change is accompanied by fundamental changes in social structure and even the abrupt breakdown of traditional ways of life, aggravated by the phenomenon of the "population explosion." No one knows how even in the near future an adequate food supply is to be ensured for the steadily increasing billions on our globe, two-thirds of whom today are already living in hunger and poverty.

But this is only one of the problems in this second half of our century. The first men have landed on the moon and people are dreaming of space flights to the far-off planets, however utopian this may still sound. But at the same time there is the ominous competition in intercontinental and antiballistic nuclear missiles, devouring billions in addition to the amounts already being spent on other armaments, at a time when the weapons of today are ready for the scrap heap tomorrow.

The longing for peace on earth is today deeper than ever. The Second World War has left us a legacy of problems that are by no means resolved (for Germans, particularly, the question of reunification), and have brought others in their wake. Many nations continue to confront each other on antagonistic ideological grounds and are often divided internally on these issues. Sharply conflicting interests are creating a degree of tension in many areas that may erupt into violence if emotions gain the upper hand over reason. Heads of governments and politicians throughout the world are thus faced with an immense number of serious and difficult problems.

Nor are things any easier for those occupying positions of responsibility in industry. What matters is to stay in the race and keep pace with the surge of technological development. While all predictions are risky, they nevertheless are necessary when decisions are being made for the future, decisions which as far as possible must be correct, for mistakes can be costly.

If one wants to adopt a philosophical point of view, one might say that the constant menace of conflict and danger is the fate of man. This has always been the case, yet mankind has never before, perhaps, been so laden with tensions and expectations and inner restlessness.

This makes our days as fascinating as it makes them agonizing, our life so full of problems and at the same time so rich in new experiences.

Thus, I have reached the time of final stock-taking, if as an industrialist I may use this business term. As a young man my life was spent in the foreign service of my country. Then followed a period exclusively devoted to industry. After the Second World War, politics took hold of me at a time when our state had to be rebuilt from its foundations. After 1953 business again became my main occupation, but politics did not release me from its grip.

*Politics* and *industry* are customarily spoken of as separate spheres of life, but they are much more closely interwoven than outsiders might assume. I was destined to dance at two parties, so to speak, in politics and in industry, although naturally to varying degrees. Regarding my relationship to both I should like to quote Faust:

“I staggered from desire to delight,  
And in delight, yearned for desire once again.”

Despite their interrelationship, politics and business must remain clearly delineated from one another. A characteristic of our political and social way of life is that we consider business to be a free sphere of activity that is not to be dominated by the state but left to the unhampered creative spirit of the entrepreneur. However, the pace of technological advance in our time makes it necessary that the state concern itself with business life more than ever before. The state itself has by necessity become one of the largest business enterprises. Its task is to create what has been called the national infrastructure; it must see to it that the basic investments are made from which economic life can develop. This requires enormous means which the state in turn can only obtain from a thriving economy. It needs these means particularly in order to meet its responsibilities in social welfare, national defense, and other public concerns. At the same time it controls monetary policy, and thereby the very life blood of business. And, finally, we are living in an age when business extends beyond national frontiers and thus becomes subject to government policy, closely linking business and foreign affairs.

The times are probably forever past when the individual European nations could lead their independent economic and political lives without paying much attention when “in far away Turkey nations were warring against nations” (Goethe’s *Faust*). Today we are di-



rectly affected by events that occur anywhere on the globe, and as a country that is dependent on imports and exports, Germany is especially sensitive to the fluctuations of international markets.

Market fluctuations, or trade cycles, of which so much has been said before, are a chapter by themselves. Like fate they ineluctably influence our economic activities—it was even once held that they occurred in conjunction with sun spots. In fact they are, in contrast to the weather (which men cannot as yet control), strongly influenced by human behavior. They are a drama that is being performed on several stages at the same time but often with very different casts. Politics can influence the business cycle just as much as misconceived public or private economic action. Last but not least, attitudes and moods can influence the ups and downs of business. Undoubtedly the American business leader was right who some years ago declared that one had only to announce loudly that bad times were ahead in order to bring them about. Hence many imponderables must be taken into account in the attempt to guide the economy. No one who occupies a leading position in business can afford to keep aloof from all that happens in the world and its baffling complexities, for that, too, will have its influence on the turn of the market.

If, as is written, man lives not by bread alone, one cannot live a full life by politics and business alone either. These two great spheres of our life in the end only form the framework, that is, the structure and material basis of our existence. Side by side with them exists the great realm of our intellectual and spiritual life, the gigantic achievements of *homo sapiens* in learning and art. To have committed oneself to politics or business by no means requires relinquishing the world of the mind. On the contrary, these two spheres have no meaning without the mind. Conversely, learning must constantly enrich politics and business, and in fact, one is no longer conceivable without the other. Hardly any large enterprise today can do without its own research, so that here, too, there is much that is interwoven and related.

But it is above all the realm of art that enriches our lives, whether we have expert knowledge of it or are only the recipients of its bounty.

My readers will long have gathered that in the field of the arts I have since my youth been especially devoted to music. What I have gained from it and what I have tried to do for it will be dealt with in the next chapter, which is addressed particularly to those who, like myself, love music. Without this chapter the balance-sheet of my life would remain incomplete.



## MUSIC

### *My Start as a Music Publisher*

Nature, it would seem, endowed me with the desire, even the need, to express myself through music. Among the happiest memories of my youth are the years spent with Walther Lampe, the well-known pianist and director of master classes in Munich and Salzburg, who initiated me into the higher secrets of the piano. Although I eventually decided against a musical career, music has remained an integral part of my life. As a young diplomat, my duties did not prevent me from appearing on the concert stage when the opportunity was offered, whether in Buenos Aires, Berlin, or London. Later, too, when I became active in industry I always managed to find time to enjoy music and finally to become a music publisher. Needless to say, I was able to devote myself to these interests at some times with greater intensity than at others, and over the years the emphasis shifted from playing music to publishing it. Yet when I founded my publishing firm I was still an active performer, particularly in chamber music.

My absorption in music, especially the works of the great masters, led me increasingly to realize the need for a really faithful transmission of our musical heritage. The available editions were usually those of the great virtuosi of the end of the nineteenth century and of the schools they founded. They are frequently so encumbered with directions that the original work can hardly be recognized under the rank growth of editorial amendments. To be sure, the editors were often artists of renown and made valuable contributions to the performance of these compositions. But the very fact that in their own perform-

ances they had perfected a personal interpretation of the work made them, in my opinion, often incapable of being faithful editors.

The *res facta* of a composition is the written musical notation—in itself an inanimate structure that must first be brought to life through performance and interpretation. Many composers give detailed directions for the performance of their work. But even very precise directions permit a wide range of interpretation and execution; within the framework of these directions the performing artist has a certain degree of freedom. It is this that gives the performance its vitality and makes it a work of art. But if an interpreter insists on imposing all the details of his personal concepts on the published score, he inevitably restricts the freedom inherent in the composition and obtrudes his own ideas upon other performers. As a result, the appearance of a composition can in certain circumstances become quite one-sided, particularly as people tend to consider the printed work to be the original composition which must be followed.

How strong such influences can be, even on outstanding artists, is illustrated by the following story, which also stresses the burden of responsibility that rests with the editor: In preparing Beethoven's *Waldstein* Sonata for publication, we closely examined the original manuscript and discovered an error that apparently had been made by the first publisher and carried through all subsequent editions, resulting in an incorrect dynamic direction. Edwin Fischer, the famous Beethoven interpreter, had always followed the printed directions when playing this section, although at heart the result left him dissatisfied. However, he had considered the printed score to be binding. When, in 1953, I told him of my discovery he was overjoyed with relief and wrote to me: "What you tell me relieves me of what I have always felt to be an inappropriate imposition. Beethoven Op. 53 III, Bar 321. Now we can continue *ff* without qualms."

In the same movement of Beethoven's *Waldstein* Sonata I made another most interesting discovery. Due, apparently, to a reading error by the engraver of the original edition, the designation *espressivo* somehow got into the text of bar 257 and was repeated in all subsequent editions. In this part of the movement are a succession of broken chords that actually begin in bar 251. This bar is designated *sempre pp* as is bar 263. The appearance of *espressivo* (bar 257) between the two bars marked *sempre pp*, while the musical structure remains absolutely the same, gave rise to some extravagant speculations. In his excellent teaching edition, Artur Schnabel devotes a special annotation to this section and suggests that performers play the *espressivo* mea-

sures with greater abandon and more decisively to distinguish them from the preceding and subsequent measures. Casella and Tovey, too, have given rather tortured explanations of this *espressivo* in their commentaries. I was, therefore, especially pleased when, with the aid of a magnifying glass, I discovered in Beethoven's autograph that the directive for bar 257 as well as for bars 251 and 263 is simply *sempre pp*, and that Beethoven apparently only wanted to draw the directive once more to the performer's attention. It is most unlikely that the different directive in the first printed edition is the author's own later correction, as there are no other indications of such changes in this edition. It is also not unusual for Beethoven to repeat dynamic directives even though the musical structure remains the same; these repetitions must be understood simply as a means of emphasis (see illustration).

A classical example of the tendency of interpreters in the past to edit the works of our composers according to their own conception rather than in their original form are the arrangements of Bruckner's symphonies that were intended to correct alleged deficiencies in the instrumentation of the original compositions. In recent decades, however, the idea has increasingly gained ground that for a true preservation of musical masterpieces we need *Urtexts* ("original texts"), that is, texts free of all arbitrary editorial additions and amendments; and that these will also be indispensable for independent performance.

I frequently discussed these reflections with my musician friends. From these talks emerged the idea of founding a music publishing house of my own for the express purpose of publishing original texts, particularly those of the great composers of the classical and romantic period, *i.e.*, starting with Bach and ending with Brahms. After the war when serviceable musical scores were hard to obtain, I needed no further encouragement to put my plan into action. In the fall of 1948 I received the necessary license from the occupation authorities in Munich. Don C. Travis, with whom I am still in correspondence, was most helpful and understanding in this matter, yet it was not altogether easy to obtain the license. The American officials, while generally sympathetic toward undertakings of this nature, were understandably somewhat skeptical of a steel manufacturer in the role of a music publisher. However, as soon as I had obtained the license, "G. Henle, Publishers" became a reality.

I opened two offices for the firm, one in Duisburg and one in Munich; in Duisburg because I lived there, and in Munich because of my strong inner ties to the Bavarian capital, and also because in postwar

Germany it promised to become once again a center of the country's cultural life. The Duisburg office was to deal mainly with editorial and research activities, while the production and sales department would be in Munich, although this division of functions was not to become too rigid. As soon as the firm had been registered we began our work.

For an industrialist to found a music publishing house caused some comment. Initially some of my publishing confrères did not take my venture too seriously and spoke rather contemptuously of the "Klößner music factory." Other reactions ranged from skeptical surprise to enthusiastic support. Many of the doubters must have belonged to that large class of people unable to regard music, like all true art, as a natural expression of a man's creative urge. The economic ethos of our age, which admittedly goes back to the Enlightenment, has turned music, like nearly everything else, into a consumer item. By automobile, railroad or plane, our concert musicians rush from one concert hall to another. Consumers can buy music in the form of a stereo console, concert tickets, or a subscription to the opera. It is this attitude—most prevalent in Germany, less so in the United States and Great Britain, and not at all in the Eastern countries—that fails to understand that for some people music is still an essential part of life, a part that gives meaning to the whole. Thus we find a "loss of the center" in European cultural life in regard to music too. The general attitude today is that music is not so much a vocation or mission, but a business for the performers and a status symbol for the consumers. This misconception, I believe, is the reason for the surprise I have so frequently encountered that a man who has a profession that fully occupies him should still devote so much of himself to music that it becomes another full-time occupation.

On the practical side, my first step was to establish our office in Munich. Friedrich Joseph Schaefer, a youngish man with experience in book publishing, was put in charge; he rented office space and engaged the necessary staff. He still holds this position today and has made a most valuable contribution to the development of the firm. In 1955, I bought a building on the Schongauerstrasse for both office and warehousing.

At first, several technical questions occupied most of our attention. A colophon had to be designed, for which I set up a competition, and we also had to select a uniform cover for our editions. Our engraving was to be clear and uncluttered, each page was to be well spaced, the type faces easily readable and the verbal text (title, preface, etc.) pleasing to the eye. All this involved decisions in which I took a special

interest. The appearance of the Henle Editions is praised very frequently, and I consider this a recognition of the efforts I have made in this direction. I asked several graphic artists to submit sample designs for the cover of our editions. For the color of the cover I chose the grey blue that today identifies the Henle Editions all over the world. For many years we have profited from the excellent advice of the typographer Paul Pfauder (of Darmstadt) on such questions as the style of faces for title page, preface and running heads and for the layout of the printed page.

We soon realized that it was not advisable to have the verbal text (such as running heads or footnotes) that appears on the score printed by the music engravers. The usually antiquated type faces used by the engravers did not produce a satisfactory image. We solved the problem by having these items set by a printer in Bodoni Antiqua and pasting it on the score; we then printed from photographs of these paste-ups. This procedure proved to be successful and we have used it for a long time. It makes proofreading somewhat more difficult and opens up new possibilities for errors, but the overall result is incomparably more satisfactory.

For the engravings of the music I turned at first to the well-known university printers, H. Stürtz A.G. in Würzburg, one of the outstanding engravers in West Germany. They engraved our first publications in 1948—Mozart's piano sonatas and Schubert's *Impromptus* and *Moments Musicaux*. However, as Leipzig (East Germany) has traditionally been the center of book and music printing, we also sought to establish contacts there, eventually entering into a business relationship with an engraving firm in that city. Since then both firms have done our engraving for us.

Since some knowledge of the technical aspects of each production process is essential for running a successful enterprise, I soon paid several visits to the firm of Stürtz in order to acquaint myself with the complex processes used in engraving music. I considered these visits so informative that later I persuaded my musicological collaborators in Duisburg to make similar visits, and also our associates at the Haydn Institute in Cologne and the Beethoven Archives in Bonn who are collaborating with us on the collected editions of these masters.

### *How Printed Music Is Produced*

The printing of music is a many-sided process that is usually difficult for the layman to understand. On reaching the engraver a manu-

script is first laid out in page form. Here some important points have to be considered. Above all, suitable places have to be found in the score for turning the pages; that is, at the bottom of every right-hand page the score must permit the performer to have a hand free to turn the page without interrupting his playing. Further, it is important that the total number of pages is divisible by four because every printer's sheet contains sixteen pages, and the binder cannot bind remnants of less than a quarter sheet (four pages). For reasons of durability it is not feasible to glue in single pages. Finally, the number of pages for the "preliminaries," that is, the title page, table of contents, preface, and so forth, have to be considered. Many editors think that they can deliver the "preliminaries" later but frequently end up with a page too many!

Constant consultations between the publishers and engravers are necessary even in this initial stage of production, and sometimes there can be hilarious moments. For example, we once had to delete a short piece from a new edition of Beethoven's piano compositions because its authenticity was doubtful. Despite numerous attempts to rearrange the layout, we were unable to produce another half page to make up the necessary total number of pages divisible by four and still ensure a well-spaced score. Half in jest I wrote to Dr. Joseph Schmidt-Görg, the director of the Beethoven Archives in Bonn, to ask if he could help me out with "half a pound" of Beethoven. Much to my surprise, I received a brief *Andante* never previously published, and so we could not only fill our page but also pride ourselves on being the first publishers of this piece.

Once all problems of arranging the text (of which only the most important have been mentioned here) have been settled, the actual engraving can begin. Even today this is done entirely by hand. The stems and heads of the notes, the key and time signatures, the phrase markings, slurs, dynamic markings, in short, everything that is part of the score is cut into metal plates. Only the five parallel lines forming the staff are etched in simultaneously with the aid of a five-toothed engraving tool. All other symbols and notations are engraved with special punches, each of which is painstakingly cut by hand in mirror image. A well-balanced page requires that all signs be precisely aligned and well spaced, that each slur be neither too flat nor too curved and of an appropriate thickness. In order to accomplish this the engraver needs not only imagination and artistic taste, but considerable experience and manual dexterity. Since I attach particular



importance to the publishing of technically and esthetically perfect pages, my insistence on high standards and constant requests for improvements have contributed to the training of a whole group of engravers who today are almost exclusively employed in engraving our editions and who have brought about considerable progress in their craft. They are the most accomplished craftsmen in their field today.

Once the engraving of the score is finished, the negative plates are covered with a green ink so that positive proofs, called "green proofs," can be made on which the notes and other signs appear white on a green background. They are sent to us together with the manuscript. Four sets of green proofs are then distributed among our copy editors who correct them according to the manuscript. One of the editors is concerned almost exclusively with the overall appearance of the score. This has caused our engravers a certain amount of grief, for they are naturally concerned that their plates not be ruined by too many corrections.

After these first proofs are read, all necessary corrections are transferred to one set of green proofs and returned to the engravers. Then the whole procedure is repeated by three other editors. One of them makes his corrections according to the original source (this may be the composer's autograph or the first edition) and this step occasionally reveals new errors in the manuscript. In that case a whole section may have to be hammered down on the reverse side of the plate, smoothed out in front and then reengraved. These are the painful "author's corrections" which are not only expensive but also wear out the plates. Even our final reading, which the editor usually does himself, may result in further author's corrections. When finally everything humanly possible has been done to produce a score free of errors and pleasing to the eye, the green proofs are sent to the printer, marked "ready for printing."

The printing is generally done by the offset process (offset lithography). "Etch proofs" are made for the reproduction process; from these a negative or positive film is obtained with a copy camera. Before the film is made, verbal text such as title, preface, titles of the individual works, and footnotes, which, as already explained, have been produced separately and have also been proofread several times, are pasted on the proof of the score. The footnotes present special problems as they are in three languages and can only with difficulty be arranged so that the texts are well balanced and of more or less equal length. Finally the offset plates can be produced and delivered to the printer.

The last stage is the binding and cutting of the volumes by the book-binder. The volumes are then complete and ready for distribution.

The technical production is a tedious and complicated procedure that requires unremitting attention and the collaboration of many skilled professionals. But even more difficult is the preparation of an authoritative manuscript from which the engraver's copy can be produced. To begin with, original sources of the composition have to be traced and their present whereabouts ascertained. They are then obtained, usually in the form of photocopies. From the start this has been the task of Friedrich Schaefer, the manager of our office in Munich, who has always displayed skill, initiative and a "keen nose" in tracking down his material. For many years he has been able to rely on the expert advice and assistance of Dr. Hans Halm, the director of the music collection in the Bavarian State Library in Munich. Later this work was increasingly shared by the office we set up in Duisburg principally for dealing with research questions. For an *Urtext* edition the original sources are, of course, a basic requirement. In order to locate and obtain them, one ordinarily consults whatever catalogues and bibliographic indexes exist. But in the first years after our publishing house was founded such catalogues and lists were difficult to obtain. Occasionally we had to have photocopies made of these reference works in order to be able to proceed with our own work.

During the war and the postwar period a great deal of source material was destroyed, but even material that has survived is often not easily obtainable. Valuable original manuscripts and printed editions were often stored in out-of-the-way places to save them from the bombs, but often enough no clear record was kept as to what had been sent where. As a result much valuable material was never returned to its original location, including some great treasures such as, for example, Beethoven's original manuscript of the Ninth Symphony and the great B-flat Major Piano Trio (Op. 97), Mozart's autograph score of *The Magic Flute*, and many others. Music lovers of many nations have tried to ascertain the fate of the various German collections, particularly those sent to Silesia. A veritable chase was instituted and every rumor, however fantastic it sounded, was run down. The results were disappointing. The greater part of the material, particularly many treasures of the former Prussian State Library in Berlin, remain lost. A few individual items have been recovered, sometimes only in fragmentary form. The upheaval caused by wartime evacuation was aggravated by

the fact that under the pressure of circumstances many private owners sold their valuable collections. The buyers often remained anonymous, which has made it even more difficult to trace present ownership. Recent experience, however, has given us renewed hope. Twenty years after the war, complete and undamaged pieces of evacuated source material have quite unexpectedly been returned, sometimes anonymously, to various libraries.

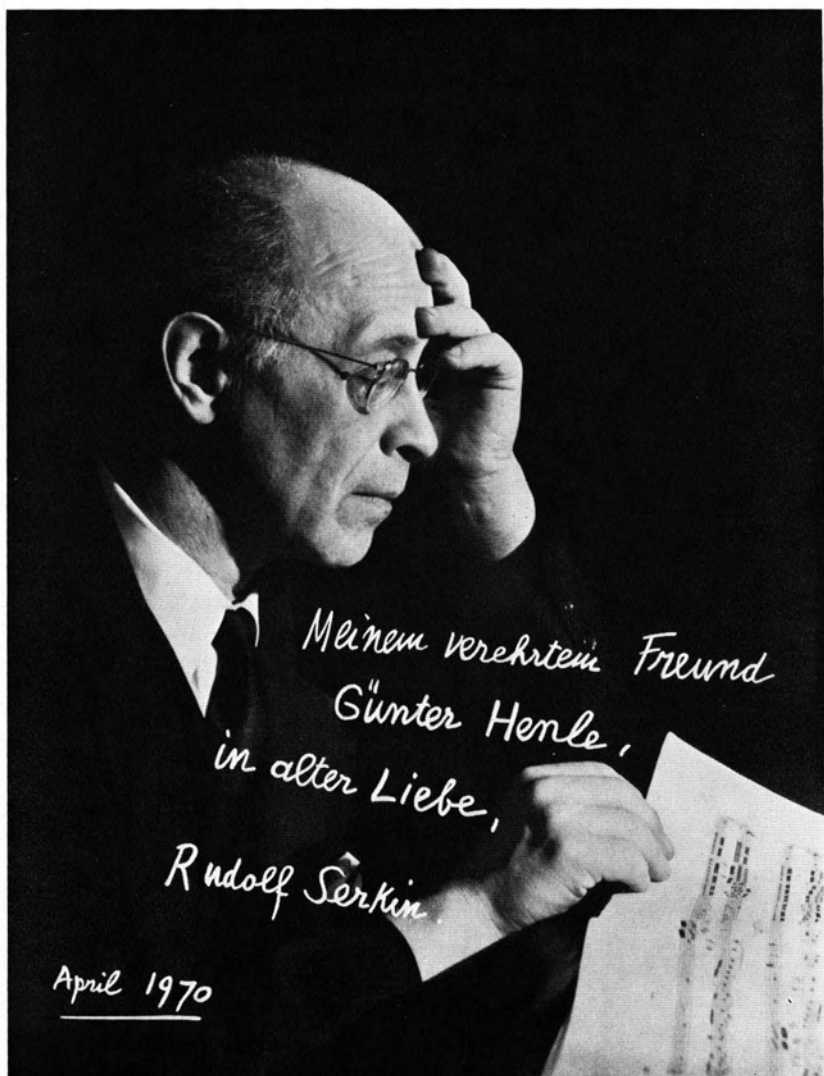
Obtaining the source material was and is, therefore, a tedious undertaking, punctuated by the joys and disappointments of discovery. Thanks to the cooperation of libraries and of many private collectors both in Germany and abroad we were able to gather an extensive collection of source material and set up an archive that today contains about 70,000 pages of photocopies. Some of these libraries and collectors may be unknown to many and I want to take this opportunity to express my thanks to them: the State Library (Preussischer Kulturbesitz) in Berlin; the German State Library in Berlin; the Bavarian State Library and the Municipal Music Library in Munich; the Bach Archives and the Municipal Music Library in Leipzig; the Beethoven Archives in Bonn; the Robert Schumann House in Zwickau; the Austrian National Library and the Society of the Friends of Music in Vienna; the Mozarteum in Salzburg; the British Museum in London; the New York Public Library; the Library of Congress in Washington; the Bibliothèque Nationale in Paris; the Chopin Institute and the National Library in Warsaw; the collections of the late pianist Alfred Cortot, who died in 1962; the collections of Dr. A. van Hoboken in Ascona; the collections of Koch-Floersheim, formerly in Aarau (Switzerland); and the collections of Consul Otto Taussig in Malmö (Sweden).

Unfortunately, the owners of original manuscripts, particularly private individuals, are not always ready to meet requests for photocopies, even though they are legitimate. It may be interesting to try to discover the psychological basis of this attitude. It seems that pride of ownership on the one hand, and a surely unfounded fear of the diminution of the value of their treasures on the other, often go hand in hand with insensitivity toward the needs of scholarship, research, and art. As possessions of considerable value are often involved, many collectors may also refuse cooperation for tax reasons. The American musicologist O. E. Albrecht (author of the important *Census of Autograph Music Manuscripts of European Composers in American Libraries*, 1953) offers an illustration of the grotesque forms such refusals can at times

assume. In an interesting article ("Adventures and Discoveries of a Manuscript Scout in the USA" in the periodical *Musica*, [vol. 3, 1948, page 129]) he relates how a famous concert pianist and owner of a music autograph collection replied to his request: "Mr. X's secretary has asked me to inform you that Mr. X has so many important manuscripts in his various residences here and abroad that he is quite unable to let you have the list you requested." The manager of our Munich office, too, has a repertoire of good stories from his scouting adventures. Many collectors, of course, are ready to answer our requests and occasionally we are even pleasantly surprised by being told about an autograph, of which we have not yet heard, by its owner. It is therefore doubly difficult to understand the attitude of others who delight in locking away in steel safes the originals of art works of eternal value.

I, too, could fill many pages with tales of our experiences in our quest for all sorts of source material, but I will confine myself to recounting an unusual incident concerning a Schubert autograph. On my first visit to Zurich after the war, I called on the rare manuscript dealer August Laube. While showing me a number of interesting music autographs and old editions, he came across a composition by Schubert that he was about to put aside because it was only a fragment and, he thought, therefore, it was of no interest to me. However, I asked him to show me the autograph, and to my delight I found that it was the first of Schubert's famous three Sonatinas for Violin and Piano, Op. 137. The first and second movements were complete, but only the first one-third remained of the third movement. As I was at that time about to publish this work, the autograph held obvious interest for me. I immediately bought a printed edition and August Laube was good enough to let me use his office for two evenings to correct the printed edition from his autograph. It so happened that the edition I had bought claimed to be an "Urtext"—yet how greatly it differed from the autograph!

When a few months later I visited New York for the first time after the war, I had an almost identical experience. At a rare music dealer's I came across the last two-thirds of the third movement of this sonatina. Here, too, I at once carefully compared printed score and autograph, so that our edition of this sonatina is based on the complete autograph. I suggested to both dealers that they offer their autographs to the Schubert collector Otto Taussig in Malmö. Taussig bought the New York autograph but, for reasons unknown to me, not the Swiss one. A few years later German currency restrictions were lifted so that I was able to purchase the main part of the autograph from the Zurich



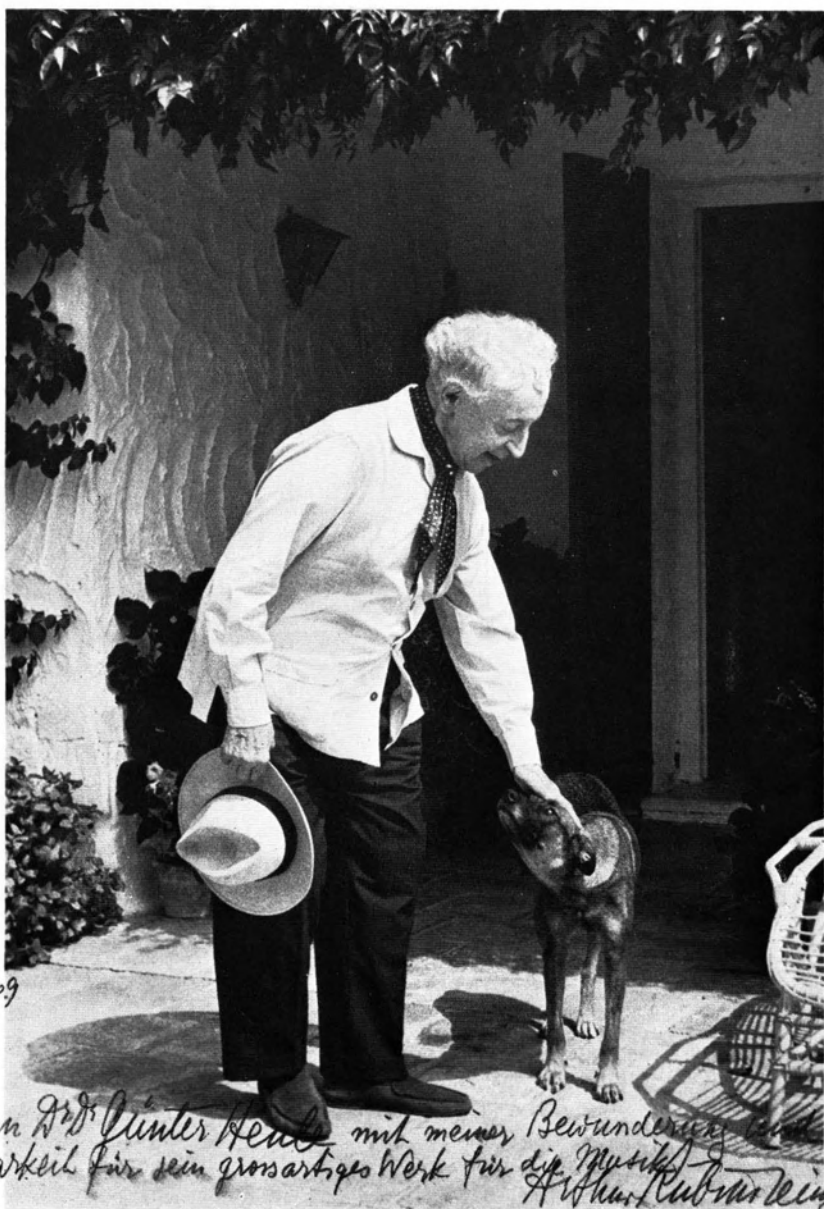
Meinem verehrtem Freund  
Günter Henle,  
in alter Liebe,  
Rudolf Serkin.

April 1970

Rudolf Serkin



From Beethoven's autograph of the "Waldstein sonata", Op. 53 third movement, bars 251-266



Arthur Rubinstein



Schubert's autograph of the first sonatina for piano and violin Op. 137 (commencement of second movement), in the author's possession



dealer to whom it had been returned in the meantime. I then approached Taussig with a view to reuniting the two pieces. He was no less eager an advocate of reunion, except that he wanted to buy my part rather than sell me his. As I owned by far the larger part, I thought this not quite equitable, but I was unable to persuade him. Nor could I move him by the offer to trade what I considered some very attractive items. This is the way of collectors. The almost complete autograph I own I treasure like a jewel. To look at it is a pleasure comparable to that of looking at a celebrated painting (see illustration).

As has been mentioned before, we have been much helped in our work by Dr. Hans Halm, until 1963 director of the music collection of the Bavarian State Library, who was frequently able to give us information about source material and its significance. I also greatly valued his generous advice, especially in my first years as fledgling publisher when I constantly encountered unfamiliar problems. Our relationship was further enhanced when, after the death of Georg Kinsky, he undertook the difficult and selfless labor of continuing and completing the standard work of Beethoven bibliography, the *Thematic and Bibliographic Index of All Completed Works of Ludwig van Beethoven*. Dr. Halm's premature death in 1965 was a personal sorrow as well as a real loss for my publishing house.

For over a decade Georg Kinsky had labored steadfastly and with great erudition on this Beethoven catalogue, which was to be the crowning achievement of his life's work. But just before its completion the war and persecution by the Nazi government robbed him of the fruits of his labor. Fortunately, however, shortly before the catastrophe, and on the advice of Dr. Halm, he had entrusted a copy of his manuscript to the Bavarian State Library. After the war much encouragement was required to persuade Georg Kinsky to attempt to conclude his work, particularly since all his notes had been lost. From a practical standpoint, too, the difficulties of publishing so voluminous and costly a work in those hard times seemed insurmountable. I was, however, fascinated by such an important project and said that I would be ready to undertake its publication. Georg Kinsky thereupon continued his work enthusiastically but death overtook him before he could finish it. Dr. Halm then came to the rescue and brought the work to completion. It was a particularly burdensome labor because Georg Kinsky's notes left it unclear which sections he considered ready for publication and which still needed revision and additions.

The publication of this index by Kinsky-Halm, which is for Beetho-

ven's works what the Köchel-Verzeichnis is for Mozart's, was the first major event in our publishing program. Immediately upon publication it was bought all over the world.

For part of the valuable source material destroyed in the last war and permanently lost to scholarship, the microfilm collections that several institutions established before the war are a serviceable although not entirely equivalent substitute. Friedrich Schaefer, my collaborator in Munich, drew proper conclusions and decided to take films of whatever important material we could obtain. We found that sometimes the owners themselves did not know what treasures they possessed in the midst of trivia. Once, in Basel, Schaefer had, in a roundabout way, located the owner of a copy of the Sonata for Piano and Violin, Op. 47 (*Kreutzer*), which had, in part, been corrected by Beethoven himself. As so often happened, the first reaction was to deny completely that there was anything of importance on the premises. Then, on Schaefer's third visit the ice began to melt. The owner agreed to bring down a package from the attic in order to show that its contents were of no importance. Right on top of the package was the copy of the *Kreutzer* Sonata! There were several indications that it had served as the engraver's copy for the first published edition. At a later date I was able to purchase it.

Mozart's Sonata Movement in G-flat, K. 312, belonged, according to Köchel-Verzeichnis of 1936 to a Professor Wach, a jurist in Leipzig. In the 1950s this autograph was still in the possession of one of Professor Wach's descendants. Our indefatigable Friedrich Schaefer found out that this descendant was now the owner of a farm at the foot of the Jungfrau in the Swiss Alps, and, although he was repeatedly assured by letter that she had no musical manuscripts in her possession, he visited her anyway. When he arrived he was promptly presented with a leatherbound volume containing several autographs: the Mozart Sonata Movement already mentioned, an *Écossaise* by Beethoven, a brief composition by Haydn and some choral arrangements by Bach. As the lady told the story, one of her ancestors gave this album to his bride as an engagement gift. In the meantime it has apparently changed owners again. It is unknown, however, whether it was sold as a whole or whether the individual pieces were sold separately.

Sometimes source material appears for a short time and then disappears again. Occasionally the details are worthy of a detective story. The owner of an autograph, for example, who felt that in his search for

hidden treasure Schaefer was being a little too importunate, threatened to set his dogs on the uninvited guest. The lady of the house, too, refused to see him at home although she was prepared to meet him in a café. Eventually a meeting was arranged, and quite unexpectedly a number of important autographs of famous composers turned up. She gave permission to have them photographed without her husband's knowledge, but the photographing had to be done in a shed among pumpkins and turnips. The present whereabouts of these autographs is once again unknown. A movement of a Mozart composition was once photographed under conditions that discretion forbids me to describe here in greater detail.

Another adventure was the discovery of an important copy of Mozart's Piano Sonata in C Minor, K. 457. The great significance of this source is emphasized in the Köchel-Verzeichnis. It had been sold in 1932 through the rare manuscript dealer Heck in Vienna. We had learned somehow that the manuscript had found its way to Spain, but while we were searching for it there we discovered that an auction house in London was about to sell it. We quickly passed the word to our Klöckner representative in London who managed to have the copy photographed just before it was auctioned off. Now the whereabouts of this source is once again unknown. Klöckner people have in fact been repeatedly of help to us, demonstrating their commercial acumen and diplomatic skill even outside their own field. Let this be a tribute to their service to art!

When we were preparing Mozart's violin sonatas for publication, we needed the autograph of K. 454. In 1954, therefore, I sent my musicological associate to Stockholm to compare the text because the Swedish owner was, on principle, unwilling to furnish photocopies of his source material, and would only give permission for it to be inspected in his house under his supervision. I mention this merely to show how much importance I attach to the scholarly preparation of our publications.

As already mentioned, in the mid-1950s we opened our second publishing office in Duisburg. It was headed by Dr. Ewald Zimmermann who since 1953 had been working for us in Bonn. A graduate of the University of Bonn where he studied under Professor Schmidt-Görg, he has been for the past seventeen years of great service to my publishing house. I have learned to appreciate particularly the attention and meticulous care that he devotes to the critical evaluation of source material.

Very early in my career as a publisher I established close relations with Professor Schmidt-Görg. Apart from his academic work, he devotes himself principally to the Beethoven Archives in Bonn which are under his direction. In decades of unselfish work he has built this institute into the foremost center for Beethoven material and scholarly research on the man and the composer. Almost everything that has been written about Beethoven has been gathered there. Impressive as it was, the already existing original collection of autographs, copies, original editions, early contemporary editions, sketches, letters, and the like, was considerably enlarged several years ago when the Swiss Beethoven collector, Dr. H. C. Bodmer, in an unparalleled act of generosity, left his priceless collection to the Archives. With this material the Bonn Archives now offer Beethoven scholars the best possible conditions for their work. Bodmer, in contrast to some other collectors, was a man of a refined and generous cast of mind.

Whenever we encountered problems in the preparation of our Beethoven editions, which happened frequently because of the composer's almost illegible handwriting, Professor Schmidt-Görg was always ready to help us. His vast knowledge of the subject, his fertile imagination, and the vast scientific apparatus at his disposal, particularly the extensive collection of sketches in the Beethoven Archives, almost always enabled him to come up with satisfying solutions. Our publishing house is greatly indebted to this preeminent Beethoven expert and congenial companion. He would often be quite unprofessorial and brighten the austere scholarly atmosphere with his humor. Once, when we were at lunch after a long morning's work in the Archives with him and his long-time assistant Dr. Dagmar von Busch (then still Dr. Dagmar Weise), it occurred to me to ask what they would want to know if Beethoven were suddenly to appear and each one of us could ask him *one* question. Dr. Weise, who was then preparing Beethoven's sketches for publication, wanted to know something on that subject. I wanted to know whether the master had wanted an A-sharp or an A-natural played in the famous place in the first movement of the *Hammerklavier* Sonata, Op. 106. But Professor Schmidt-Görg scored a bulls'-eye with his question: "Who was the 'Immortal Beloved'?"

The many years of intensive study of the works of the great classical composers eventually turned us into experts on autographs and other source material for piano and chamber music. Naturally this benefits our preparation of our new publications as well as our revised editions. Often a problematic passage suggests a similar problem that has been

encountered before and thus points to a solution. When such a problem arises an excellent memory has often enabled me to astonish my colleagues by opening a different volume of the same author's works and indicating another composition where the same problem had occurred. Once the pianist Rudolf Serkin and I were discussing the meaning and proper rendition of a somewhat unusual ornament—a combination of an inverted mordent and a turn in Beethoven's First Violin Sonata (last movement, piano, bars 4 and 130). I was able to recall for him a similar case, well known to him also, in the first movement (bars 17 and 76) of the composer's Piano Sonata in F-sharp Major (Op. 78) where the same ornament appears reversed.

Two major areas preoccupied the Duisburg office during the early years. First, it was necessary to coordinate the work done by different editors in preparing a particular volume. All incoming manuscripts were reviewed regarding the reliability and consistency of the procedures used. Differences of opinion had to be resolved in discussions with the editors or in consultation with experts. During the engraving process, the different stages of proofreading were supervised, and during the technical preparations for the production stage, close contact was maintained with the Munich office.

Secondly, published volumes had to be reviewed constantly before new editions were issued. In our early years Germany was still isolated and we were debarred from access to a number of sources. But musicological research did not stand still, particularly outside Germany, and therefore some heretofore unknown sources often became known to us only after their publication. In addition, scholarly investigations would provide new points of view. And, of course, we had much to learn and are still learning daily in the course of our work. Whatever we learned from our own activities or from scholarly research had to be regularly evaluated so that our editions would conform to the latest findings.

Nor is this all. Because of the particular goals we have set for ourselves, our texts differ in many ways from the accepted forms of older editions, and as a result purchasers of our editions frequently raise questions or argue points, often, in the course of discussion, causing us to make further emendations. Thus the eminent Austrian pianist, Paul Badura-Skoda, who has for many years been especially interested in our work, has often, notwithstanding his highly individualistic interpretations, given us valuable and most welcome suggestions. Sur-

prisingly enough, for so peripatetic an artist, he is able to devote considerable time to an independent study of source material. His interest is shared by his wife, Eva, who is equally distinguished as a musicologist and by her personal charm. The scholarly aspects of our work apart, I have never hesitated to solicit the artistic advice on specific questions of performing artists among my acquaintances and friends, such as Rudolf Serkin, Adolf Busch, Edwin Fischer, Mieczyslaw Horszovsky, Yehudi Menuhin, Wolfgang Schneiderhan and Wilhelm Backhaus. Paul Henry Lang, professor of musicology at Columbia University, has also always been ready to make recommendations and to give valuable advice.

Our catalogue by now comprises 200 titles (including single editions). We could easily have published several times that number if we had not spent a great deal of time and effort on every new edition and on perfecting our already published editions rather than simply reprinting them without revision, as is customary. That practice can be continued *ad infinitum* and saves, of course, considerable effort and expense, but I consider it quite incompatible with our growing conscientiousness in musicological matters. I believe that the first reprints in particular of almost every work need to be revised in accordance with new source material. Every suggestion coming to us from the users of our scores is appreciated and carefully investigated. In fact, a new edition may require almost as much work as the original.

It was clear to me from the beginning that the purpose of publishing *Urtexts* must be to present music lovers with the works of our masters in as unadulterated a form as is humanly possible. Rather than being presented with the preconceived notions of this or that editor, they should be given the opportunity to enter into an individual and direct relationship with the composer through his work. Only a few of the potential users of our editions, however, are fully trained musicians, equipped to proceed on their own. By far the greater number are students and amateur performers who need technical guidance if they are to use *Urtexts*. For this reason, therefore, we had to provide suggestions for fingering and, in the case of string instruments, bowing. Without such suggestions the *Urtext* editions would only be usable by the few hundred fully trained musicians in the world who do not need such assistance, while the majority of all other music lovers would have to be content with the usual arrangements which more or less mask the original text. I have, therefore, retained fingerings and bowings in my editions.

At the beginning of my publishing activity this led to a dispute with another publisher who, because of these annotations, contested our right to call our editions *Urtexts*. These charges could, however, be answered relatively easily, especially since these annotations, which make no change in the text of the music, are explicitly and prominently identified as such in our editions. Our position was actually strengthened as a result of that challenge. For the rest, just to prevent any misunderstandings, we clarified on the inside title page the term *Urtext* by a more comprehensive and exact statement. We say, for instance, "Edited by . . ., in accordance with autographs, old copies and first editions."

My own views on the problem and the significance of *Urtext* editions I expressed in an essay "On Editing *Urtexts*," which appeared in 1954 in *Musica* (no. 9). That essay was reprinted in the same year in Melbourne, Australia, by *The Canon, Australian Journal of Music* (vol. VII, no. 10), and in the spring of 1955 it was also published in the United States by the *Violin and Violinists' Magazine* (vol. XVI, no. 2). Subsequently, in a more elaborate article in *Musikforschung* (vol. XII 1959, p. 432), the musicologists Dr. Georg Feder and Dr. Hubert Unverricht made the first attempt to define the somewhat vague concept of *Urtext* more precisely and to elucidate its precise meaning.

It should be added that, of late, the term *Urtext* has been somewhat abused; it is occasionally ascribed as appropriate to older editions without any justification in fact. Sometimes this abuse is practiced in a rather peculiar manner. The designation "according to the *Urtext*" is used as if the musical "Blossom Time" were not also put together "according to" Schubert's *Urtext*. Even more bizarre is the latest notion of labeling editions as *Reintext* or "true text." The "hunter" is apparently to be deprived of his valuable "quarry" by this method, but one may ask why this is not done in the more sportsmanlike manner of publishing genuine *Urtexts*.

In 1949 we published our first works, Mozart's piano sonatas, Schubert's *Impromptus* and *Moments Musicaux* and his Sonatinas for Violin and Piano, Op. 137. I personally edited the sonatinas and provided the fingering for the piano. For the bowing and violin fingering in Schubert's sonatinas I secured the assistance of Karl Röhrig, the first concertmaster of the Duisburg Orchestra, who later also helped me with those for the violin and piano sonatas of Mozart, Weber, and

Brahms. The fingering notations for almost all the piano compositions published by us during our first ten years were worked out by my old teacher, Professor Walther Lampe. His wide experience as performer and teacher made him the ideal choice and he fulfilled his task with the inspiration of the genuine pianist. When Professor Lampe's advanced age no longer permitted him to work as actively as before, Hans-Martin Theopold, professor of piano at the Northwest German Academy for Music in Detmold began to take over this work. His imaginative solutions to the problems posed have made him a highly appreciated collaborator.

Shortly after we began publishing, we found that the most advantageous arrangement was to entrust to a musicologist the task of revision according to philological criteria, and to a practicing performer the responsibility of working out the fingering and bowing. With a few exceptions we have continued this procedure to this day. Over the years the number of our free-lance associates has steadily increased. In the first German edition of this book I mentioned by name many of these collaborators, but in the course of our expansion their number has grown so great that it is now impossible to list them all. A selected list would be unfair, for it would have to exclude many of those whose contribution deserves mention.

As the business of publication has continued to expand, I have tended to bring out new editions in series form, under our own editorial management. Mozart's piano compositions for four hands and his Variations for Piano have appeared in this way, and we have also started on the publication of all of Chopin's piano compositions, a noteworthy undertaking about which I shall have more to say later. Other new editions of this kind are in preparation.

During the many years of intensive occupation with the autographs of our great composers, with copies, original editions, and early contemporary editions, we have accumulated a fund of expertise not easily accessible even to a musicologist of the highest standing. We have thus become thoroughly familiar with a multitude of problems, primarily of a technical nature, such as the positioning of dynamic signs, the length of slurs and phrase markings, and the treatment of variants—things that cannot be learned from books or in lecture halls, yet are part of the indispensable equipment of a music editor. In order to utilize this knowledge we thoroughly review any volumes edited by our free-lance collaborators. This sometimes entails almost as much work as if we had edited the volume in question ourselves.



We have so far been able to issue *Urtext* editions of a large part of the piano music of the most important composers in the period from Bach to Brahms, and also a considerable portion of their chamber music. Obviously we have not exhausted the possibilities. There are still a number of works, not only of the great composers, which await publication in their original form, and I shall continue to add to our publishing program.

The years of expansion of our enterprise coincided with the re-awakening of German cultural life after the bitter war years, and soon the need arose for the republication of the collected works of our great composers. The need was real, for the existing editions were in some cases more than a hundred years old. Due to the discovery of new sources and the modern methods of evaluating them, these editions were now completely out of date. Moreover, the works of some composers had never been published in a complete edition. Foremost among these stepchildren was none other than Joseph Haydn. To use a literary comparison, it was as if the collected works of Schiller or Shakespeare had never been published. Twice an attempt had been made to publish Haydn's collected works, but each time not more than a few volumes were actually completed.

In order to relieve this glaring need we founded the Joseph Haydn Institute in Cologne in 1955 with the purpose of publishing all of Haydn's works. Professor Friedrich Blume, professor of musicology in Kiel and at the time president of the Gesellschaft für Musikforschung (Society for Musicological Research) was the moving spirit of this undertaking. The fact that the highly important task of publishing Haydn's collected works, amounting to about one hundred volumes, was entrusted to my firm testifies to the success we had achieved as music publishers. Well-known scholars from all over the world are taking part in this work which has so far resulted in the publication of forty volumes. When the Haydn Institute was founded, Professor Blume himself became chairman, while I was assigned the not always agreeable post of treasurer. In recent years Professor Karl Gustav Fellerer, professor of musicology at Cologne University, has also served as Haydn consultant. An expert in the history of Roman Catholic church music, he has also done pioneering work in other areas of musicology. As the new president of the Society for Musicological Research, he will have ample opportunity to exercise his administrative gifts.

At the very start fortune smiled on us and we could launch our work with festive éclat. The autograph of Haydn's *Creation* Mass, which had been considered lost since 1939 was unexpectedly offered for sale in Switzerland. The fiftieth anniversary of our firm, Klöckner and Co. in Duisburg, served as a suitable occasion for purchasing this precious manuscript and donating it to the Bavarian State Library in Munich. At the same time I published a facsimile edition of this manuscript, which is a particularly impressive example of the aged Haydn's handwriting. We have been able to delight many friends and patrons of our Haydn project by presenting them with a copy of this edition.

The publication of a new edition of Beethoven's collected works was another very attractive and important task for us. The last such edition, issued between 1862 and 1888, naturally did not reflect the vast Beethoven scholarship of the past hundred years. After lengthy negotiations the government of North Rhine-Westphalia decided to pay financial tribute to the memory of its greatest son, Ludwig van Beethoven. By granting the necessary funds in 1959 it launched the publication of a new collected edition. As a matter of course Professor Schmidt-Görg was put in charge of the work. With the approval of the government we were entrusted with the greatly coveted task of publishing the new edition. The first thirteen volumes have now been issued.

In this connection I would also like to mention a joint undertaking, somewhat similar to a collected edition, that a number of German publishers have started with the purpose of publishing important works of the past five centuries under the title *Das Erbe deutscher Musik* (The Heritage of German Music). This is a continuation of what used to be called *Denkmäler deutscher Tonkunst* (Monuments of German Music), and my house, too, is participating in this venture. We have been assigned the period of the early romantic composers; the first volume by Johann Friedrich Reichardt, *Goethe's Songs, Odes, Ballads and Romances with Musical Accompaniment*, has appeared.

Although good editions were particularly scarce in the early postwar years, our young and still unknown house did not find it easy to compete with the old, internationally known music publishers. One of the ways for the music-loving public to learn of our existence and our goals was to see our work at exhibitions. In 1949 we therefore took part in the first postwar German music fair in Detmold.

At the time we could boast of only three titles: Mozart's Piano Sonata

tas, vols. I, II and Schubert's *Impromptus* and *Moments Musicaux*. But as a display of only three volumes would have looked rather scanty, Friedrich Schaefer had the idea of showing different aspects of each volume: the cover, then the title page, and finally the frontispiece, index, preface and musical text. The viewer could therefore gain a really comprehensive idea of the quality of our editions. This resulted in establishing our first contacts with the all-important retail trade that for a publisher unlocks the door to the market.

In the next few years we exhibited at other music fairs, notably at Boppard and Düsseldorf. In the meantime we had increased the number of our publications, and at the congresses of the International Society for Musicology in Cologne in 1958 and in Salzburg in 1964 our showing was quite substantial. Then, in 1965, we had a small traveling exhibition of the Henle Editions in the windows of book and music stores in England. This exhibition, arranged by our representative in London, traveled through various cities, including Oxford, and ended in London.

When I visited the Brussels World's Fair in August 1958 I had an agreeable surprise. I was, of course, especially interested in the German pavilion and the room devoted to music. Here I came across a show case displaying musical scores and books on music. To my satisfaction I saw that the top shelf had been exclusively allotted to the Henle Verlag, while the lower shelf contained books from several other music publishers. At World's Fairs it is not individual firms but the particular country that exhibits, and the material is selected quite impartially. I therefore left that room with the glowing feeling that the officials responsible for this exhibit (whom I did not know) had made an excellent selection!

### *Musicological Problems*

Over the years it became clear that our work had given a certain stimulus to musical scholarship. While the *Urtext* question had raised important basic problems, the preparation of the edition of Mozart's violin sonatas, which Ernst Fritz Schmid, the Mozart expert, had revised for us, drew renewed attention to the problem of the staccato signs in the source material which had concerned us in our earlier Mozart and Beethoven editions. Staccato signs usually appear in one of three forms: dot (.), stroke (!) or wedge (▼) (in German *Punkt*,

*Strich*, and *Keil*); the question is whether Mozart's varied use of them follows a recognizable system. This problem, though known to the experts, had hitherto been dealt with only peripherally and in the actual process of editing had either consciously or unconsciously been evaded. After considering a number of alternatives, I decided in 1954 on a competition on the subject "Mozart's Use of Strich, Punkt and Keil," which was announced in the musicological journal *Die Musikforschung*. The results were interesting and useful. Although none of the participants in the competition arrived at a definitive solution, their examination of details shed much light on the various aspects of the subject. A thorough consideration of all the arguments led us to take the view that Mozart had used the different forms quite accidentally, and that his use of different signs did not call for any difference in rendition. Henceforth, in our Mozart and Beethoven editions and partly also in our Haydn editions we used only the dot as the staccato sign. The five most perceptive essays from the competition were published under the title "The Meaning of the signs Keil, Strich and Punkt in Mozart's Compositions" (*Musikwissenschaftliche Arbeiten*, no. 10, Kassel, 1957).

The decisions we made regarding this question for the other collected works in the process of being published may also be of some interest. Our new critical edition of Beethoven's collected works is similarly committed to a uniform staccato sign. However, in view of the change in style that had taken place between the periods of Mozart and Beethoven, in the latter the wedge (*Keil*) is also used, though not to indicate staccato but only accenting. However, both the collected edition of Haydn's works and the new Mozart edition deliberately use two different signs for the staccato: the dot and the stroke. While the competition did not result in an unequivocal answer, it nevertheless helped in great measure to clarify the overall problem.

In the years following we encountered other problems that also seemed susceptible of solution by means of essay competitions. At my suggestion, the journal *Musikforschung* early in 1957 invited entries on the following subject: "Questions of Authenticity Regarding Mozart's Sonatas for Piano and Violin," and the fall of 1957 saw a third competition initiated and financed by me: "The Autographs and Original Editions of Beethoven's Compositions and Their Significance for Modern Textual Commentary." (The prize-winning essay by Hubert Unverricht was published in *Musikwissenschaftliche Arbeiten*, no 17, Kassel, 1960.) This was a subject that touched on a problem we en-

countered again and again. After his work on our editions I suggested to Professor Paul Mies the need for elucidating this whole complex of questions. He did so in his essay "Concerning Textual Commentary on Beethoven's Works," which we published in our "Publications of the Beethoven House, Bonn (New Series, Fourth Set)." It is a very thorough study of the overall problem of textual criticism of Beethoven's work. I had encouraged Professor Mies to undertake this study in order to preserve for future workers in this field the numerous insights we had gained in editing Beethoven's compositions.

From these studies and the knowledge we had gathered, particularly in editing Chopin's work, we concluded that the question whether the autograph or the original edition (that is, the first edition produced with the knowledge and perhaps even under the supervision of the composer) should be regarded as the more valuable source material can only be decided on the merits of each case. This decision will not only be different for each composer, but may vary from composition to composition of the same composer.

It has thus been our constant endeavor to incorporate the latest musicological findings in our work, to make in return our own contribution to research, and to utilize in full the large reservoir of our own experience. Without losing sight of our main purpose of issuing accurate texts, our editors have a certain freedom in their working methods. Obviously, no hard and fast rules can be laid down for composers as different from each other in time and style as Bach and Schubert, or Beethoven and Schumann. Faithful adherence to the text remains the overall editorial principle, including the preservation of the individual manuscript style which often conveys to the eye a conception of the musical structure of the composition.

We became very conscious of this when we began to edit all of Chopin's piano works. The first volume, the *Préludes*, which was edited by one of our outside collaborators, did not yet point up the problem distinctly, especially since a complete autograph and a first edition are available as source material. But in the second volume, the *Études*, we encountered difficulties. In the case of Mozart and Beethoven we had been able to obtain a comprehensive view of the source material relatively easily because the autographs, the first editions, and the many handwritten copies are clearly interrelated; and the great bibliographical indexes of Köchel and Kinsky-Halm were of invaluable help to us. But Chopin's case was different: here we were faced with a

profusion of autographs, handwritten copies, and printed editions as source material, coupled with the absence of any bibliographical tools whatsoever. (Maurice J. E. Brown's catalogue had not yet appeared.) This situation obviously called for thorough clarification.

In February 1960 the First International Chopin Congress took place in Warsaw, and my collaborator Dr. Zimmermann, attended for us. Thanks to the cooperation of Dr. Zofia Lissa, the leading Polish musicologist and professor at the University of Warsaw, we were able to meet with leading private and institutional Chopin authorities. At first, however, the Poles were very reserved, not least because they themselves were preparing a new Chopin edition. However, we were gradually able to overcome their reserve, and when we visited Warsaw again in 1965, they readily made important source material available to us. (That same year Professor Lissa visited Germany to report at the yearly meeting of the Haydn Institute in Cologne on Haydn's relationship with Poland.) I believe that Dr. Zimmermann's edition of Chopin's *Études and Waltzes* that we then published provided valuable new suggestions for editorial practice in general and Chopin philology in particular. As our next volumes, the *Nocturnes*, the *Polonaises*, and the *Impromptus*, required extensive commentaries and footnotes, I decided to publish separate textual commentaries, a procedure customary in annotated collected editions. In keeping with this we intend to issue similar commentaries for our earlier and later Chopin volumes. It is doubtful if any of the innumerable other Chopin editions have been prepared with so much scholarly care.

Our relationship with the Polish scholars and institutions has, in the meantime, become a normal and even cordial one. To foster it, I have had the pleasure of sending subscriptions for German musical journals to a number of Polish institutions and individuals, a gesture that has been favorably received. I also invited Mme. Krystyna Kobylańska, the chief curator of the museum of the Chopin Society, to a lecture tour in Germany which met with great interest and approval.

Editing the keyboard compositions of Johann Sebastian Bach, which was chiefly the responsibility of Professor Rudolf Steglich in Erlangen, was an even more complicated task than editing Chopin—small wonder, since Bach lived two hundred years earlier. In his time it had been quite customary to make handwritten copies of compositions for distribution. For this reason, and also because Bach was an outstanding and devoted teacher, there are innumerable copies of his compositions

made by his students, students of his students, and professional copyists. Some of the copyists eventually learned to imitate Bach's handwriting so well that for a long time their copies were mistaken for Bach's autographs. Many an owner of what he thought to be a Bach autograph has been bitterly disappointed by modern findings. In addition to the large number of copies, there are the genuine autographs and first editions in which Bach himself often made handwritten alterations over the years. As copies were obviously made at various periods, not only immediately after the autograph was written, we often find layers of source material according to how the autographs read at the particular time they were copied.

Only a specialist can find his way through this maze. A center for Bach research has been developed in Tübingen in order to clarify this confusing situation with the aid of the most modern philological methods, such as identifying the copyists and classifying the type of paper used. Its findings are being issued by Professor Walter Gerstenberg in the *Tübinger Bachstudien*. Professor Gerstenberg gave us valuable and much appreciated advice when we encountered textual problems in our publications of *The Well-Tempered Clavier*. I am also indebted to Professor Georg von Dadelsen, formerly of Tübingen and now professor of musicology at the University of Hamburg, for help with equally complicated problems that arose in our other volumes. At present he has assumed the editorship of the last volumes of Bach's piano compositions for us. At the end of 1965 I published a facsimile edition of Bach's *Peasant Cantata*, which was very cordially received, as a special tribute to this great Baroque master of music.

The scholarly problems we encountered in our work thus led to increasingly close contacts with musicologists. I am in constant correspondence with many well-known professors of musicology, by no means only in Germany. Particularly close is my association with Friedrich Blume, whom I have mentioned earlier in connection with the Joseph Haydn Institute. His wide expert knowledge, his extensive international connections and his bearing as a man of the world—without a trace of the absent-minded professor—mark him as an outstanding personality. Since his retirement he has made himself available to us as a consultant, coming regularly to Duisburg to discuss current problems with us.

Long before I had entered into this close relationship with Professor

Blume, I was awarded the honorary membership of the Gesellschaft für Musikforschung at its Hamburg Congress in 1956, which was held under his chairmanship. In my brief acceptance speech I quoted Hans Sachs from the third act of *Die Meistersinger*:

“Ye make it easy for yourselves but hard for me  
By granting me, poor wretch, so much honor.”

### *Books about Music*

It was inevitable that in the course of time we would expand our program to include books, but as our main objective was to publish *Urtexts*, I restricted our publications to works that had some connection with our music editions. I have already mentioned the Kinsky-Halm Beethoven index, which in the meantime has become the standard work for Beethoven research. I also undertook the publication of a series *Schriften zur Beethoven Forschung* (Monographs in Beethoven Research) in collaboration with the Beethoven Archives in Bonn, another illustration of the often fruitful interrelationship between editorial work and musicology. The first essay in this series, which has since been followed by others, was the above-mentioned book by Professor Paul Mies, *Textkritische Untersuchungen bei Beethoven* (Critical Studies of Beethoven Texts). This essay discusses important insights for the evaluation and interpretation of source material, the interconnection between the composer's autograph and the first printed edition, and many other points concerning textual commentary, insights that have been gained for the most part in the course of our editing of Beethoven's works. In 1965 we published in this series Beethoven's genealogy, entitled *Beethoven: The History of his Family*, by Professor Schmidt-Görg.

Most recently we have launched a new series under the title *Haydn-Studien*, similar to the Beethoven monographs. In the issues of this series, to appear at irregular intervals, we hope to publish the findings and experiences gained from our work on the collected edition of Haydn's compositions, as well as other research findings concerning Haydn's work.

Finally, our book department has been considerably enlarged through our participation in a worldwide venture, the *Répertoire International des Sources Musicales*. After obtaining proposals and



bids from publishers in a number of countries, its directors entrusted us and the publishing firm of Bärenreiter in Kassel with the publication of this work. Robert Eitner's bibliographical studies, his *Bibliographie des Musiksammelwerke* (Bibliography of Collected Music Editions), published long before the turn of the century, and his *Quellenlexikon der Musiker und Musikgelehrten der Christlichen Zeitrechnung* (Bibliographical Sources of Musicians and Musical Scholars of the Christian Era), published in ten volumes during the first years of this century, have for decades been considered out of date. As the achievement of a single individual they can hardly be overestimated, but they have lost much of their relevance not only because rapid advances in musical research have unearthed an unbelievable quantity of formerly unknown sources in all countries, but also because the two world wars and their aftermaths have brought about basic changes in the ownership of source material. At present no one is in a position to know of all existing music autographs, printed music, and essays about music from the early beginnings to the present.

At the beginning of the 1950s, the International Society for Musicology and the International Association of Music Libraries decided jointly to tackle the tremendous task of assembling a bibliography of all the musical sources (prior to about 1800) that exist in every part of the world. With this aim libraries, archives and private collections everywhere are being studied by international working groups of music scholars and music librarians, by some individual scholars, and by a variety of other interested persons. A central organization comprising today about forty-five countries then gathers the findings and assembles them into catalogues.

This undertaking, too, is headed by Professor Blume. My firm has been assigned the publication of the systematic-chronological catalogues and the Bärenreiter-Verlag that of the alphabetical catalogues. This truly international project was launched with our publication of the first ten volumes. The technical work which this involves is phenomenal and rests particularly on the shoulders of our Friedrich Schaefer in Munich.

Finally, I must mention an important work currently still in the preparatory stage: the Chopin catalogue of Krystyna Kobylańska, the Polish musicologist. Her catalogue of Chopin's works which, at my suggestion, we are to publish in German will undoubtedly fill a gap in the armamentarium of modern Chopin scholars. It will not only contain very detailed entries about autograph sources (far exceeding those

of the Brown index in which many items are already outdated) but also comprehensive information about Chopin's first editions which usually appeared in three countries more or less simultaneously. The author is an expert in questions of Chopin documentation, particularly of the handwritten sources. She has, after fifteen years of labor, completed a comprehensive work in Polish about Chopin's autographs and his handwritten entries in copies and first editions.

### *My Musician Friends*

My contacts with musicians and music scholars were, of course, not confined to the mere exchange of opinions concerning specific textual questions. Again and again they led to personal associations that often developed into permanent relationships and sometimes even close friendships. I would have to exceed by far the limits I have set myself in this book if I were to record my experiences with all these prominent artists. A few of my musician friends must here take the place, so to speak (and in quite arbitrary order), of many more—Erich Kleiber, the conductor, and some others having already been spoken of at some length in the first section of this book.

I have had the pleasure of often meeting with Edwin Fischer, the incomparable Beethoven and Brahms interpreter. He had the strength of a giant and the heart of a child. Despite his remarkable technique he was not a dazzling virtuoso. An inner fire seemed to illuminate his playing, and his personal participation was reflected in his expressive face. His short and stocky figure was a little reminiscent of Beethoven, and as the years passed the similarity of his massive head to the composer's increased. Once, immediately after the war, we visited him backstage after one of his concerts which, as was common at that time, had taken place in an almost unheated hall. As he was perspiring my wife put her black fur cape around his shoulders. Out of this covering his massive head rose up majestically—a reincarnation of Beethoven or King Lear.

I once visited Fischer in his beautifully situated house in Hertenstein above the Lake of Lucerne. Among other things we discussed a question that has always been of concern to pianists: whether in the first movement of Beethoven's *Hammerklavier* Sonata (bars 224–226), in the transition from the development to recapitulation, a note

that is repeated eight times was intended to be A-sharp or A-natural. A-sharp is in accordance with the first published edition—the autograph has disappeared—and reflects a more daring concept of harmony that is certainly in keeping with the later Beethoven. D'Albert in a footnote to his edition of this composition remarks tersely: "A-sharp, of course." An A-natural would mean that the natural sign had been omitted eight times. This is most unlikely, but adherents of this textual interpretation defend it most passionately and, at times, even intolerantly, whenever they want to dispute the A-sharp, which after all, is vouched for by the source material. They frequently cite as evidence a sketch, not necessarily conclusive, in Nottebohm's edition of Beethoven's sketchbooks which does not show the A-sharp. They forget, however, that Beethoven was in no way bound to follow slavishly his own first drafts. Edwin Fischer was a convinced follower of the A-sharp theory, feeling that in this passage Beethoven was steeped in the atmosphere of the preceding B major.

Time and again he expressed his pleasure at our *Urtext* editions, and once said to me, "After your death all your other achievements may be forgotten, but we musicians will still remember you with gratitude for having given us back the unadulterated scores of our great masters." I had a plan in mind that we should edit the Beethoven piano sonatas together. Fischer was interested in the idea but because of his many concert commitments it would have taken him years to do it. I neither could nor would delay publication of this standard work for the piano and so we had to abandon this plan.

Karl Klingler, the Nester of German violinists who had also led a famous string quartet, I met through mutual acquaintances. I visited him for the first time during the war on his farm in Brandenburg to which, rather than collaborate with the Nazis, he had retired from his post at the Berlin Musikhochschule (College of Music). Both then and later we used to play sonatas for piano and violin together—something I considered a great kindness on his part. Once his brother Fridolin, the violist in his quartet, was also present, and together we played Mozart's *Kegelstatt* Trio—an unforgettable experience for me. After the end of the war he had to leave his home in the Eastern zone and, after many wanderings, settled in Munich.

Since Professor Klingler is equally gifted in music and mathematics, something not uncommon among musicians, he spends much time on the most complicated mathematical problems; for example, the prob-

lem of trisecting an angle with only a ruler and compasses, a subject that he often discussed with his old friend Max Planck. Occasionally he sends me breathtaking geometric drawings. Although he is well up in years, he still takes a lively interest in current events as well as the work of our publishing house. I am indebted to him for many valuable suggestions. Only a few years ago he drew my attention to a passage in the first movement of Beethoven's last violin sonata, Op. 96 (bar 127) which until his discovery had perennially been misprinted, from the first edition of this unique composition to the present day. (The sharp before  $f^2$  starts with the fifth, not, as usually indicated, the first eighth note.) Much to my regret, the limited time available to me no longer allows me to visit Karl Klingler as often as I would wish.

I first met Walter Giesecking when I asked him to assume the editorship of my first publication, Schubert's *Impromptus* and *Moments Musicaux*, which he accepted. He was a pianist whose profound knowledge of his instrument and unequalled sense of tone made him the unrivaled interpreter of the French impressionists. I had many interesting discussions with him in connection with the editorial work he did for us, and he often illustrated his points on the piano. Occasionally I also visited him at his home in Wiesbaden. In general he was considered somewhat unsociable, but I always found him friendly. Thanks to his phenomenal memory, Giesecking had an extraordinarily large repertoire. Whenever he traveled by railroad or on planes he could use his time profitably, being able to memorize scores by reading them rather than having to practice them on the piano. He is the author of the saying that one does not have to practice scales over and over again once one has mastered them.

My recollections of Giesecking bring to mind another eminent pianist of our time, Eduard Erdmann, who also died much too soon. Early in their career, he and Giesecking used to play pieces for four hands either on one or two pianos, a style of performance that has unfortunately gone out of fashion. Erdmann was not one of those superstars of the piano who travel the globe to arouse mass audiences to frenzies of applause. A contemplative, highly cultured man imbued with great musical vitality, he was a self-effacing interpreter who knew how to infuse radiant life into every piece of music he played. At a concert in Duisburg, shortly after the end of the war when concert pianos were still in rather bad shape, he did not hesitate to crawl under the instru-

ment and, with a technician who had been called, repair the mechanism that had broken down in the middle of his performance.

Erdmann was quite eccentric and known for his Bohemian mode of life. Giesecking told us how he once had met him at a railroad station during a concert tour and asked him where he had his dress suit. With a sly grin Erdmann pointed to the knapsack on his back. One can imagine the condition of that garment when he took it out! An unusually well-read man who could recite pages of Dante's *Divine Comedy* to himself during sleepless nights, Erdmann was a passionate book collector, and had one of the most important private libraries in Germany. He used to say jokingly that he was not a bibliophile but a bibliomaniac. His daughter married the well-known painter Emil Nolde, with the curious consequence that father-in-law Erdmann was almost thirty years younger than his son-in-law.

Erdmann was also a composer, but I found his music little to my taste. Once, after the war, when one of his ultramodern piano works had its première in Duisburg we gave a dinner in his honor. I had to make a speech but I never found speaking so difficult; it was like walking on eggs.

Dr. Zimmermann, a musicological collaborator, who had studied with Erdmann, has told us some serious as well as some amusing stories about him. Apparently in order not to burden his memory, Erdmann never called his students by name but only "my friend." Whenever he asked one of them to join him for a meal, he quickly added, "Unfortunately I cannot invite you." Everyone knew that all his earnings were spent at the book dealers! Once Erdmann told the following story: "You know, I used to pay very little attention to my appearance [how he must have looked then], and once in Africa on a vacation I was walking with Artur Schnabel and we were philosophizing about humanitarian ideals. Schnabel said that for him all men are brothers. But I objected, 'Artur, I can't get used to the idea that a Hottentot should be my brother.' Artur stood still, looked me up and down and said, 'Eduard, you are a Hottentot.'"

At heart Erdmann was and remained an adherent of modern music and defended it staunchly, without, however, neglecting the great classical and romantic composers in the least.

It was not so much my love for music but my duties as a young attaché in the German Foreign Ministry during the 1920s that brought me into contact with Eugène d'Albert, one of the greatest musicians I

have ever known, whose blazing vitality cast a spell over all his listeners. His piano performances belong to my most unforgettable musical memories. D'Albert, who inherited Liszt's throne as one of the most gifted pianists of all time, was a good friend of Herr von Haniel, who was then undersecretary of state at the Foreign Ministry and always gave d'Albert a *laisser passer* to facilitate his many visits abroad. Somehow I managed to get into the act and so became involved in extensive correspondence with d'Albert. Our exchange of letters, it must be said, did not contain any profound reflections on culture and art but dealt exclusively with d'Albert's trips abroad and the *laisser passer* he requested. But I never hesitated to appear backstage whenever he gave a concert in Berlin, where I was always welcomed as a useful person to know. Once I overheard him telling an acquaintance that he had discovered a ruse for gaining a quick divorce. (He had just married his fourth or fifth wife, and Las Vegas was not yet available as a Mecca for divorcees.)

Naturally many anecdotes were told about his consumption of wives. Once, when he arrived in Vienna with a newly wed wife, he wanted to see Brahms and suggested that they have dinner. However, by evening Brahms preferred to go to bed, observing drily, "D'Albert is bound to have a few more wives. I'll just skip this one." To be sure, some time later d'Albert appeared with an even newer wife at a party, and a conductor friend said to him after dinner, "May I congratulate you on your choice, my dear d'Albert? I have rarely had the pleasure of meeting so charming a wife of yours."

In his later years d'Albert became noticeably less interested in concert appearances, an attitude not unusual among musicians who have reached the top. Unfortunately, he became, instead, increasingly active as a composer, achieving great but transitory fame with his opera *Tiefland*. At that time the concert stage served him merely as a means of making a livelihood. He hardly prepared himself any more for performances, and some musicians observed that after an evening with d'Albert one could gather up a whole laundry basket of false notes under the piano. Even then there were still inspired moments that electrified the audience and reminded his hearers of former glories. I myself experienced it a number of times. To the end of my days I shall remember how he played the introductory measures, especially the first chord, of Beethoven's Piano Concerto in G Major. Suddenly, this chord appeared, produced as if by magic from another world. I have never since

heard the beginning of this concerto played so beautifully—may my many pianist friends forgive me for saying so!

Throughout my life I have frequently encountered Wilhelm Furtwängler, at first mainly abroad, as any German embassy was glad to play host to the prominent conductor. When I first started as a publisher, we had an extensive exchange of letters because I hoped to persuade him to edit all of Beethoven's symphonies for us. Although he was interested, the plan did not materialize, as all his time was taken up once he resumed his concert activities. Intellectually and artistically Furtwängler was very much his own man. The special charm of his writings lies in the fact that they reflect the thoughts of a remarkably cultured individualist. Today I am not sure that so subjective a man would have made a good editor of an *Urtext* edition.

Furtwängler's beat was not marked by excessive precision and he often gave the signal for a musician to come in with a strangely careless, zig-zagging downbeat. Once, when he conducted a strange orchestra and even the opening did not go well, the concertmaster asked modestly: "Herr Doktor, at which point of your lightning bolt are we supposed to come in?"

Furtwängler was not only a great conductor but also an unexcelled accompanist at the piano. At a concert in the German embassy in London I once heard him accompany some German opera stars who were guest soloists at Covent Garden. His performance was so enthralling that I listened more to the piano than to the singers. Later at dinner, with a big napkin tied around his neck in order not to stain his suit, he looked amusingly appealing. If, in the course of conversation, any one expressed his admiration for him, he made no objection—every compliment pleased him.

I still remember a scene many years ago at a concert of the Berlin Philharmonic. After a more than usually long wait, when the audience was becoming restless, it was announced that the soloist did not feel well. Was there a doctor in the house? Immediately half a dozen gentlemen rushed to the stage door, each eager to have the honor of treating so prominent an artist. It was none other than Pablo Casals, who at that time was for music lovers perhaps the greatest of all living interpreters. I met him personally after the Second World War at a private gathering in the Beethoven House in Bonn. He took a lively interest in

the Beethoven catalogue of Kinsky-Halm which I had published and dedicated to him. He was accompanied by his very young wife; when we met them again at the Marlboro Festival in Vermont, she had blossomed into a most charming young woman. Casals was then almost ninety years old. Hearing him in rehearsals and concerts at Marlboro made me realize that he is now not only musically but also physiologically a singular phenomenon. His interpretations of Bach are unrivaled—nothing in the past or present can match them.

Among the great pianists of our day, Rudolf Serkin belongs to the supremely eminent. Warm and considerate toward others, he is yet unsparing in his demands on himself and his art. Whoever hears him is spellbound by his interpretation of the great masters. Both as a man and an artist he is one of the great personalities of our time. He has been a close friend of ours for many years. In the past he was the duo partner of the great violinist Adolf Busch and later became his son-in-law. I had met Busch in the 1920s when he lived in Berlin. Many years later, in the 1950s, I had the unforgettable experience of playing Brahms' Sonata in G Major and Mozart's Sonata in A Major with him. Busch was a man of great charm who could also be very entertaining. One of his stories was of how on an Italian tour he and the partners in his string quartet had indulged in too much Italian wine just before a concert. The wine had been so light that they had not realized its effect. They played the last movement of a quartet that evening in a more than inspired *prestissimo*, evoking frenzied applause. The next time they gave a recital in that city they felt they should safeguard their reputation by conscientiously keeping their tempo within normal bounds, but the response was markedly less enthusiastic! In 1926 Adolf Busch moved to Basle and in 1940 he emigrated to the United States where he and his family lived not far from Rudolf Serkin's farm in Vermont. After the war he returned to Switzerland but died in 1952. During the last years of his life he gradually retired from the concert stage and turned increasingly to composing.

At the beginning of 1957 I suggested a memorial concert for Adolf Busch to our friend, the distinguished musical director of the city of Duisburg, Georg Ludwig Jochum. The program, which was broadcast by the West German radio, was to feature the first German performance of one of Adolf Busch's Psalms for Choir and Orchestra, followed by Brahms' First Piano Concerto, with Rudolf Serkin as soloist, and ending with Beethoven's *Eroica* Symphony. I hoped that this concert



in honor of his father-in-law and former partner would make it easier for Rudolf Serkin, who continued to live in America, to return to Germany, if not to live, at least to perform. We were delighted when Serkin agreed to come, but unfortunately illness prevented him from taking part in the concert. However, Adolf Busch's widow, who had come from Basle for the concert, was able to enjoy the acclaim for her husband's composition. For Serkin, even though he could not attend it, this event provided the stimulus for the beginning of a brilliant new concert career in Germany. He now visits us nearly every year, and his concerts are among Germany's most impressive musical events.

A few years ago my wife and I were able to carry out a long cherished plan—to visit Rudolf Serkin at the Marlboro Musical Festival of which he is the director. Here are my wife's notes on her impressions:

Every year when we saw Rudolf Serkin he said to us: "Please visit us in Marlboro!" and in 1964 we finally did.

Marlboro is a college town in Vermont. Adolf Busch owned a farm nearby where he lived for many years. Serkin also bought a farm there where he still lives when he is not staying in his apartment in Philadelphia. While Busch was still alive he and Serkin received permission to use the campus during summer vacations to give young musicians an opportunity for undisturbed work. Master classes for various instruments were organized by the two artists.

Over the years the character of Marlboro changed. At first it was merely a place where teachers taught students, but soon young musicians, who were already professionally active, were eager to come to Marlboro to play with their older colleagues who had already made a name for themselves, to learn from them, and to perform chamber music with them and their own contemporaries—something for which they otherwise hardly had the time. Only Pablo Casals, who has been coming to Marlboro regularly for the past few years, still directs master classes. He also conducts the chamber concerts in which leading artists, among them the violinist Alexander Schneider and many other first-class performers, take part, sometimes as concertmasters, sometimes in a more modest capacity. All of them are concerned only with making good music and helping the others. There are no stars. The older musicians receive no pay and the younger ones pay for their stay if they can; those who cannot are granted scholarships.

Serkin welcomed us with open arms and immediately took us to the campus. It consists of an auditorium seating 500, a building housing a kitchen and dining hall, and a number of large and small dormitories from which the sound of a great variety of instruments reached across to

us. Our host introduced us to several of his older and younger musician friends. They had come from Norway and Portugal, Austria and Switzerland, and of course many from the United States itself; a young German-Polish woman, a pianist, was also among them.

At last we met Serkin's wife, Irene, the daughter of Adolf Busch. She is a violinist with the orchestra, and because of the number of rehearsals she lives on the campus with her little four-year-old daughter Margie. Irene is a serene, warm-hearted person, very much the good spirit of this community; we became friends immediately. Serkin's seventeen-year-old son Peter is an accomplished pianist, and at that time was making his first concert tour of Europe as a soloist. He had already given recitals there with his father.

Serkin invited us to have our meals with them. People sat wherever they liked around the long tables and were waited on by young musicians, a different team every week. The atmosphere was cheerful and casual and because of the general interest in the Henle music editions we were immediately considered one of the family. Serkin was the moving spirit of it all; in the easy-going American way he was generally called "Roody" (Rudi) and complimented by the following ditty: "There is a man called Roody, who never seems too moody."

The morning rehearsals for the chamber concerts started at 10:00 A.M. Pablo Casals, and sometimes Alexander Schneider, the latter usually as concertmaster, conducted. Casals, now over ninety, was fascinating to watch. Everyone rose when he entered the room. The musicians listened to his comments and directives with great reverence and attention. Usually he sang as he conducted to make doubly sure he was understood. His "La, la, la" echoes in our ears still.

It was fascinating to hear how the individual works emerged increasingly refined in tone, more mature in interpretation. We did not miss a single rehearsal and listened to music every day from 10:00 A.M. till noon, from 4:00 P.M. until 6:00 P.M. and for two more hours after supper.

On Friday the first public concert took place. It was sold out and an overflow audience sat outside the open windows and doors. We were very happy to be among them, listening with redoubled pleasure to the compositions that we now knew so well; some of them are seldom heard because it is difficult to get together, for example, three first-class pianists for triple concerti or unusual combinations of violinists, cellists and players of wind instruments.

On the one afternoon when there were no rehearsals, Rudolf and Irene Serkin showed us their farm. Irene drove the jeep—the roads were too primitive for an ordinary car. The farm is beautifully situated on a hill surrounded by woods, no other house within sight, only a few meadows

with grazing cows. The house itself is rather old and everything recalls Alice Herdan-Zuckmayer's charming description of this area in her little book *The Farm in the Green Mountains*. Life is hard here. In winter they are often snowed in and their electricity and telephone cut off. The snow plow has to come before contact with the outside world can be resumed. I think the great serenity one senses in Irene Serkin must be the result of living here, where there are still snakes and bears, where the woods are so dense that one needs a bush knife, where one depends completely on oneself. We also were shown Adolf Busch's old house nearby and his study, now used by his son-in-law, which radiates an atmosphere all its own.

A little later we saw a similarly isolated farm house in that neighborhood when we visited Professor Julius Held, the eminent art historian and Rubens expert at Columbia University, with whom we had become friendly. His house has neither running water nor electricity but the woods are more passable and said to be less populated by bears and snakes.

Thus we had the pleasure of learning how our musician and artist friends live, and for a while we shared their lives. We left Vermont full of gratitude.

A few years later we were in Marlboro again. Its magnetic attraction for young artists had grown so much in the meantime that many applicants had to be turned away. Thanks to the devotion of Rudolf Serkin, these green Vermont hills now sheltered a musical meetingplace whose like the world has never seen.

When we had the good fortune to attend a few rehearsals of the Brahms Piano Quintet, we did not know whether to admire more Serkin's own playing, virile and powerful, yet at times ineffably gentle, or the way in which he enabled the youngsters to partake of his interpretations. We should all feel grateful that he has agreed to head the Curtis Institute of Music in Philadelphia, the most important conservatory in the United States, if not in the world.

To this description by my wife, I want to add another little anecdote concerning Serkin:

Once, during an American tour, Irmgard Seefried, the wife of the well-known violinist Wolfgang Schneiderhan and herself a great singer and artist, wanted to rest in her hotel room before her evening performance. From somewhere came the sound of piano practicing. At first she was annoyed, but when she listened more closely she realized that the pianist was none other than Rudolf Serkin.

The year after our visit to Marlboro Serkin came to Duisburg once again. He gave a concert in our home which, as might be expected, was the unforgettable high point in our musical and human contact with this great artist. The occasion was heightened for us by the acquisition of a new grand piano. We felt that our old Steinway, which had seen more than twenty years' service, was not suitable for Serkin and so we replaced it with a new one. A new piano, however, is not exactly ideal for a concert. Fortunately, the problem solved itself because to our delight Serkin arrived two days earlier and practiced several hours daily on our piano in preparation for his remaining concert tour. The day after the concert, he continued to practice as he did not have to leave until the afternoon. Since then, I boast of always having my new pianos broken in by Rudolf Serkin.

Yehudi Menuhin, one of the greatest violinists of all times, was the first of the artists whom the Nazis had barred from Germany to return to us after the war. Noble-minded, warm-hearted and wise, he had been able to put aside his very understandable misgivings. The lodestar of his life is the ideal of a true *humanitas* and the essence of his artistic being is that he follows a path that leads him to the ultimate sources of creativity. Both intuitively and by reflection he is able to recognize the intentions of the composers so clearly that eventually he can identify himself with their works. We have been close friends for many years. I met him for the first time shortly after the war at a reception given for him by a mutual acquaintance. At this reception he spoke with great warmth and knowledge about the philosopher Constantin Brunner, whom he greatly admired. Brunner's works had been burnt by the Nazis, and Menuhin was eager to see a new edition published. I was moved by his magnanimous attitude and decided to help him in this endeavor.

When, a short time later, Menuhin gave a concert in Düsseldorf, I wrote to ask him whether he would like to visit us in neighboring Duisburg. I shall never forget the excited voice with which the telephone operator at Klöckner announced, "Mr. Menuhin calling." That same day he joined us for lunch. From the very first it seemed as if we had known each other for a long time. We were instantly captivated by his singularly expressive eyes. He was quite unaffected in manner, very unassuming and natural, and certainly less withdrawn than on the concert stage. Since then he has been a frequent guest at our house.

He is always a lively dinner companion. Once he told us that he was learning to ski. I must have looked alarmed, for he added smilingly, "Only so that I can be photographed with my children on skis." Another physical activity, yoga, he took more seriously. On his first concert tour through India he had met Nehru, whom he revered and who always received him with great affection. When I myself went to India, Menuhin sent his regards to Nehru, who was eager to know whether Menuhin still practiced *yoga* diligently.

Whenever we meet it is quite natural that we discuss musical problems. I show him our newest textual discoveries, in which he always takes as lively an interest as I take in his comments on this or that problem. He has often drawn my attention to some problematical passages in Mozart, Beethoven and other masters that have occupied his attention.

On the day he was to give a concert in Düsseldorf, Menuhin called me in the morning and arranged to have lunch with us in Duisburg. He asked me to bring home a photocopy of the autograph and the original edition of Beethoven's last violin sonata, Op. 96; he was eager to know whether in its last movement, bar 218, in the piano bass the second eighth note should not be G-natural rather than G-sharp, as it appears in most current editions. I looked up the passage in the sources and found that Menuhin was right, but I took the precaution of calling Professor Schmidt-Görg, the director of the Beethoven Archives, to check the passage. An hour later he called back and told me the result of his investigation (he had consulted still other sources): it was G-natural, not G-sharp. Menuhin inspected the passage in my photocopies and was impressed and satisfied with the prompt answer to his query. He had always wanted to hear G from his partner at the piano, not G-sharp.

A counterpart to this incident again involved Menuhin and the same sonata. As I have already mentioned, Professor Karl Klingler helped me to eliminate an error in the first movement that had survived through most editions for almost 150 years. On the day of their concert in Essen which featured this sonata, I pointed out this error to Menuhin and his sister. They applauded the improvement and were happy to be able to play it the same evening. When we visited the two artists backstage after the concert, they asked me happily, "Did you hear us play F instead of F-sharp?"

In the meantime we had, as already mentioned, also made the

acquaintance of Menuhin's sister Hephzibah, the loyal and distinguished partner of his chamber concerts. We now count her among our friends, too. Her spontaneous, practical nature is a happy contrast to her brother's exceptional sensitivity. Apart from music, she devotes much of her time to good works, so vigorously that one wonders how she can cope with it all.

By a curious coincidence, I had met Menuhin's charming young wife years before in London, while she was still a child. In those days, I was often invited to the Sunday afternoon receptions of Lady Evelyn Harcourt, where remarkably good music was customary. One of her two daughters, who in those days used to parade through the rooms as a little girl, later became a dancer and is now the wife of Yehudi Menuhin.

In order to alleviate the growing shortage of good orchestral musicians as well as soloists, Menuhin some years ago founded in London an international music school. There musically gifted children between the ages of seven and fifteen obtain a regular education as well as thorough musical training. In Menuhin's opinion this is the only way to select and further the talents of especially gifted children at an early age. Children of all races and nationalities are accepted by the school.

In the Cultural Council of German Industry, whose work I will describe below, I was especially concerned with helping the younger generation of artists. Menuhin's plan greatly appealed to me, and I spread the good word among my friends in industry. The crowning point of my campaign was a concert by Yehudi and Hephzibah Menuhin before members of the Cultural Council at the Cuvilliés Theatre in Munich in March 1964. Before the concert I gave an address on "Thoughts on Modern Musical Education." Thanks to the Menuhins and the enchanting setting, the evening was a great artistic and social success; the profits went to Menuhin's school in London.

A few months later my friend Yehudi wrote to say that a twelve-year-old German girl had applied for admission to his school and asked me to find out about her. Her name was Dorothee Hengen and her home was a forester's cottage not far from our hunting lodge in the Westerwald. On my way there I visited the family and was amazed by the child's prodigious gifts. Her parents accepted my offer to be responsible for her musical training, and Dorothee became the first German pupil of this international school. Her years there were very propitious ones; only the future can tell whether she will fulfill her promise.

At a concert in Duisburg during the war I first met Wolfgang Schneiderhan, whom I rank with Menuhin as one of the greatest living interpreters of the violin concerti of Beethoven and Brahms. We have remained in close touch ever since. An artist of great modesty, he is a genial and warm-hearted man who inspires singular affection. He has often been our guest in Duisburg, always expressing his delight in our antique furniture, our china and pictures. Once he remarked that our house was the ideal place for an artist to live and work. Whenever a problem arises in our publishing house relating to a work for violin and has also artistic aspects rather than being purely musicological, Schneiderhan is among the first I consult. Whenever we meet, I almost always have a package with me containing photocopies of autographs, original editions, and other sources. Together we search for the correct solutions, and Schneiderhan, fascinated by each problem, is of invaluable assistance.

Since Schneiderhan's wife, Irmgard Seefried of the Vienna Opera, is also constantly traveling, it is not surprising that we met her only many years after we had met her husband. She wrote in our musical guest book: "Now I've been here, too—the wife!" Occasionally they give joint recitals and then one may hear some quite unfamiliar and often enthrallingly beautiful music played to perfection. We were delighted when in the early summer of 1966 the two artists and the outstanding young pianist Walter Klien treated us to such a musical feast in our own home. But such musical encounters are, unfortunately, rare for these two because they usually go their separate ways on their concert tours. This was strikingly confirmed by what Irmgard Seefried had to report on an Australian tour. She and her husband, but each separately, were booked for a tour for about the same length of time. Their schedules, however, resulted in both traveling through the cities of the Australian continent for six weeks, always separated by four or five days and never meeting once.

With the great Russian violinist David Oistrakh I once talked one whole afternoon in a Parisian hotel room about everything under the sun—except politics. He is a winning personality and, like so many outstanding artists, a man of great modesty. On the concert stage his tremendous concentration reveals itself in a face of disciplined energy, but the moment the last note is played he relaxes and bestows a grateful, engaging smile on his audience. Our acquaintance has deepened in the course of time. In Munich we once met after a concert and spent

some very stimulating hours together: Oistrakh said that he loved to play Brahms more and more, and that in fact he had added the slow movement of the Brahms Third Sonata to the program especially to please me.

For some years Nathan Milstein has also belonged to the circle of prominent musicians with whom I am personally acquainted. This marvelous violinist is, in the truest sense, a citizen of the world: born in Russia, he owns an American passport, lives in London, and plays at all ends of the earth. Refinement of tone is a special mark of his playing, and every concert he gives is a unique experience. Afterwards, at supper, he shines as the most vivacious conversationalist. Each time I hear him play, my admiration for his mastery increases.

I heard Arthur Rubinstein, the world-famous pianist, for the first time when we were both somewhat younger—more than forty years ago in Buenos Aires, where he gave a number of recitals that deeply moved his audiences. As a pianist he underwent a development similar to that of Franz Liszt. When Liszt was already an accomplished, universally admired pianist, he heard Paganini play in Paris. He was so impressed by his technique that for some time he left the concert stage and tirelessly perfected his own technique. This made him into the unique pianist who lives in the memory of posterity. In Arthur Rubinstein's case a young wife and the founding of a family played the role of Paganini. It was this, as he himself relates, which impelled him to catch up on what he still seemed to lack.

Rubinstein took an active interest in my publishing activities from the very beginning. In the course of conversations on the Costa del Sol in Spain, where he owns a vacation house not far from ours, or in letters, or occasionally in a very flattering manner publicly, he has told me how greatly interested he is in our work and how much he values the publication of the original, unadulterated scores of our great masters. Although it has been a long time since he has performed publicly in Germany, some years ago he offered German music lovers the opportunity to listen to his art. Near the German-Dutch frontier he gave a concert that was largely intended for a German audience, and indeed the lovely little Dutch town of Nijmegen became the destination of a veritable German pilgrimage.

In the spring of 1967 Rubinstein presented us with an unforgettable gift: he was our house guest in Duisburg and during his visit enchanted us with his playing. An added source of joy was his wife Aniela, whose





Yehudi Menuhin and his sister Hephzibah Menuhin at the concert in Munich given for the Cultural Circle of German Industry, 1964



Edith Peinemann and the author

# MOZART

## *Sonaten*

*Klavier und Violine*

BAND I

URTEXT



G. HENLE VERLAG



A music book issued by G. Henle Publishers



charming personality and engaging manner won our hearts. On this occasion we could admire the multifaceted personality of the artist: the astounding freshness and vitality that allow him still to give a hundred recitals a year, his agile intellect and the universality of his interests, his radiant and captivating manner, but also his humor and his delight in good living, in good food and drink and vivacious company. Which of these many scintillating traits is one to admire most? I believe it will be all these qualities together that will be remembered as the true portrait of this unique artist in the history of music.

My connections with numerous other artists have become firmer and more intimate over the years, strengthened by making music together, sometimes even in public. A few years ago, Yehudi Menuhin invited me to play with him in one of the concerts he was giving at the annual music festival at Gstaad, Switzerland. We chose Brahms' Sonata for Violin and Piano in G major, Op. 78, which I had once played years ago with another of the great ones, Adolf Busch. I remembered that Busch had played the last movement of this sonata in a decidedly restful tempo, whereas it was usually performed quite fast. In his tempo the structure remained absolutely transparent and the music took on a certain rather melancholy coloring. While preparing this work for publication, I found that in the manuscript Brahms had at first marked this last movement *Allegro non troppo*, then changed *non troppo* to *moderato*, and finally in the engraver's copy, corrected in his own hand, added a *molto* to the *moderato*. Thus Brahms' gradual slowing-down of the tempo is precisely documented. The words of the pianist Frau von Beckerath, who played with Brahms himself, are interesting in this connection: after she had played the movement, Brahms answered her query on the tempo: "Slower still!" (The story is reported by the violinist Professor Eva Hauptmann of Hamburg and Würzburg.) Needless to say, Rudolf Serkin takes this movement at a slower tempo just as Arthur Rubinstein does. It is, as Rubinstein once said to me, a "rain song," alluding to the use of its principal motive in Brahms' famous *Regenlied*.

Another interesting problem arose in connection with this last movement. In bars 4 and 64, the third- and second-last sixteenth notes in the piano part, according to all the sources that represent Brahms' intentions, should be  $c^1$ -sharp and not  $c^1$ -natural. In bar 55 the same situation obtains for the twelfth sixteenth note in the piano right-hand part ( $c^1$ -sharp instead of the  $c^1$ -natural that is always played). In the latter instance,  $c^1$ -sharp appears altogether credible as the leading-tone

to the violin's d<sup>1</sup>. Rudolf Serkin brought this to my notice. Yet I have never heard this note played correctly by any other pianist.

In preparation for Menuhin's Gstaad concert, we had two rehearsals in London. One of them was a special occasion in more than the musical sense: after the rehearsal my wife and I visited the gallery of a leading London art dealer, from whom we had already bought several notable paintings for our collection. He showed us pictures from various schools and eras, then suddenly produced a Cornelisz van Haarlem, signed 1600. It was a magnificent piece—an Old Testament scene—and it changed hands within a matter of minutes.

I took one more opportunity to play publicly this Brahms sonata, which I love so much. In the spring of 1969 the Cultural Council of German Industry gave a poetry reading with music in the Kaisersaal of the Würzburg Residenz. At the close of the evening the violinist Edith Peinemann, already known throughout the world, played "my" Brahms sonata with me, naturally with the third movement in the slower tempo, and with the three c<sup>1</sup>-sharps! I would have loved to play another duet, but my professional work left me no time for the preparation required for performance at this level.

It is not surprising that in business circles, too, I gradually gained somewhat of a reputation as a musical expert. At the beginning of the 1950s the Association of German Industry founded a Cultural Council, and I was invited to become chairman of its music committee, with Professor Gustav Stein as our very able director. The committee consists of a number of experts and industrialists who are interested in music, and is chiefly concerned with fostering artistic talent among the younger generation. Each year it holds a competition and the members act as jury. The most gifted of the younger artists, who have been selected by the music colleges and academies, are invited to take part as well as those who have applied to the committee directly. Each year only one category is judged: piano, string instruments, wind instruments, voice, organ, chamber music groups, etc. During these contests we became very much aware of the whole problem of finding and promoting promising young artists in postwar Germany; occasionally I have comforted the young participants who did not win a prize with the sarcastic words of Hans von Bülow (theater people attribute it to the Berlin producer Adolf L'Arronge): "The bigger the prize, the sooner the show closes." ("Je preiser gekrönt—desto durther gefallen.")

Among much average talent we have come across some very gifted young people. One young violinist seemed to me so particularly talented that I assumed the responsibility for her continued training and enrolled her with Max Rostal, the great violinist and teacher who at that time was still living in London. She studied intensively with him for some years and in 1956 won first prize at a contest arranged in Munich by the German broadcasting stations. Today Edith Peinemann is known to music lovers in Europe and North America where she has performed under world-famous conductors. On behalf of the Cultural Council, our committee was able to contribute to her well-deserved success by placing at her disposal a particularly fine Guarneri del Gesù, a violin of magnificent tone, which in the meantime has become her own. In recent years this violinist has undergone a very significant development, which gives one the highest expectations for her future career.

At the Würzburg performance of May 1969, mentioned above, the young cellist Claus Kanngiesser also appeared, like Edith Peinemann a scholarship holder of the Cultural Council. He made a great impression on me at the time, with his extraordinary gifts and remarkable maturity. Soon afterwards, he came to Duisburg as our guest, where this impression was strengthened still more by our playing together. Yehudi Menuhin said immediately on hearing him that he would be happy to play with him publicly. I feel certain that we shall hear much of Kanngiesser in the future.

Soon we also included composers in our competitions. Almost without exception they submitted works of an ultramodern nature. As my attitude towards this artistic trend is reserved, to say the least, I once jokingly made the suggestion that the not inconsiderable financial awards be made conditional on a year's cessation of artistic output.

I have always felt that the Cultural Council did necessary and fruitful work and gladly made my contribution. When I reached the age of sixty-five, however, I resigned from the chairmanship of the music committee in view of my many other obligations.

### *"The End of the Song"*

Robert Schuman called the last of his *Fantasiestücke*, Opus 12, which are among the most beautiful of his piano compositions, *Ende*

*vom Lied* (The End of the Song). With these words I, too, want to close my chapter on music publishing and with it this book of memories. In the course of my life my enthusiasm for music, my friendship with musicians and the publishing of music have become an indivisible whole. I think I have come closer to my original goal of reaching wide circles of practicing musicians with the *Urtext* idea, and my musician friends have told me that I have done some pioneering work in this regard. After a number of difficult years my music publishing house is now on a firm basis, and I am more convinced than ever that we are fulfilling an important task.

It has become almost a matter of course for professional musicians to use *Urtext* editions, but amateurs, too, are increasingly eager to free themselves from the tutelage of the older arrangements. This means of course that the older editions are now by and large obsolete. But it is a law of life that "The better is the enemy of the good." Other publishers, realizing this, have of late become interested in issuing *Urtexts*. This is to be welcomed if the idea is not simply abused commercially by imprinting the term *Urtext* on old editions, which has happened on occasion. I can lay no claim to a monopoly on *Urtext* editions and welcome any publisher in this sphere as a collaborator in a great undertaking. If, as a result of my efforts, the unadulterated transmission of our musical heritage becomes the accepted practice, I will have reached the goal I had in mind when I founded my music publishing house, and in my own way will have expressed my gratitude to the great masters.



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