

REVEAL GERMAN REARMING BEGAN SECRETLY IN '20

NUERNBERG, Germany, June 6 (AP) — Confiscated records of the Krupp dynasty today laid bare the secret origin of German rearmament in the supposedly beaten and bankrupt Weimar republic barely a year after the treaty of Versailles was signed and 13 years before Hitler came to power.

Documents in allied hands provide evidence that a secret \$48,000,000 loan was made available to the Krupp company in 1920 by a man who was chancellor and finance minister.

In 1940, when Germany had beaten France and was poised to invade England, the ex-chancellor wrote proudly from exile in Switzerland to Gustav Krupp von Bohlen und Halbach in his stone palace in the Ruhr.

Link to Hidden Partnership

The letter, signed "Joseph Wirth," was recovered from the Krupp files in Essen.

"Most honored Herr President," the letter began, "Swiss papers carry the news that you are the first German to be decorated with the war cross of merit, first class, in recognition of your accomplishments in arming the German wehrmacht [army]."

"I have the honor to state that this fact has been noted down with pleasure in my memoirs and I look with satisfaction to the years 1920-'23 when we both laid the new foundations for the development of German armament technique with the help of your great and most important firm.

Ten Year Deal Made

"I am putting down these lines in order to make a record in my files, in which there is already the letter of Dr. Wiedtfeld of 1921 which sets forth that, thru my initiative as reich chancellor and finance minister, your highly esteemed firm was secured for 10 years by putting at its disposal considerable means of the reich for maintenance of armament technique.

"I have kept up good relations with the U. S. A., which passed the test during my last year's journey of purely private character. I should desire that we may be spared armed conflict with the U. S. A., as doubtful as the news from the U. S. A. makes one feel."

Used Swedish Dividends, Too

Attached to Wirth's letter was a confidential memorandum by one of Krupp's staff.

The memorandum stated that Wirth put \$48,000,000 worth of marks at Krupp's disposal.

The account later was "nourished by yearly remittances from Stockholm in Swedish crowns which represented dividends for Bofors shares," the memorandum concluded.