<table>
<thead>
<tr>
<th>Exhibit Document No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIK-10777</td>
<td>Affidavit of Hofrat Universitätsprofessor Dr. Dr. Franz ROTTENBERG, Vienna, re attempts by KRUPP before 1938 to buy the BERNDORF Works. Dated: 17 August 1947.</td>
</tr>
<tr>
<td>NIK-9700</td>
<td>Letter from WILLOWSKY to Gustav KRUPP re BERNDORF. WILLOWSKY informs Gustav KRUPP that he had a discussion with LACKES, who will try to arrange an interview with HITLER in the near future for discussion of the possibility of the purchase of Austrian shares. (BERNDORF-An). Dated: 3 February 1937.</td>
</tr>
<tr>
<td>NIK-10813</td>
<td>Copy of Balance Sheet showing the distribution of the BERNDORF shares on 12 March 1938, the day before the Germans moved into Austria. Dated: 12 March 1938.</td>
</tr>
<tr>
<td>NIK-11177</td>
<td>Affidavit of Robert GLATZL, Hardtsgasse 25, Vienna XIX; employee of the CREDITANSTALT, re: the forced sale of BERNDORF from CREDITANSTALT to KRUPP after the annexation. Dated: 8 August 1947.</td>
</tr>
<tr>
<td>Exhibit NO.</td>
<td>Document NO.</td>
</tr>
<tr>
<td>------------</td>
<td>-------------</td>
</tr>
<tr>
<td>NIK-13171</td>
<td></td>
</tr>
<tr>
<td>NIK-13172</td>
<td></td>
</tr>
<tr>
<td>NIK-770</td>
<td></td>
</tr>
<tr>
<td>NIK-8041</td>
<td></td>
</tr>
<tr>
<td>NIK-7313</td>
<td></td>
</tr>
<tr>
<td>Exhibit</td>
<td>Document NO.</td>
</tr>
<tr>
<td>---------</td>
<td>--------------</td>
</tr>
<tr>
<td>NIK-766</td>
<td>Letter from KEPPLER, Reich Plenipotentiary for Austria, to WILNOWSKY. KEPPLER says that GOERING approves the purchase of BERNDORF by KRUPP. KEPPLER remarks that ordinarily no shares of Austrian firms could be bought at all, but that KRUPP was an exceptional case. Dated: 2 April 1938.</td>
</tr>
<tr>
<td>NIK-12075</td>
<td>Affidavit by Wilhelm KEPPLER, former State Secretary in the Foreign Ministry. He states, when confronted with NIK-766, that he must have received an order from GOERING saying that BERNDORF should be sold to KRUPP only. Dated: 28 October 1947.</td>
</tr>
<tr>
<td>NIK-771</td>
<td>Letter from the Secretary of the German and Prussian Ministry of Economics to WILNOWSKY. The Secretary was informed by WILNOWSKY of the plans KRUPP had concerning BERNDORF. He suggests that KRUPP apply for an exceptional license in order to be allowed to purchase the BERNDORF Works. Dated: 9 April 1938.</td>
</tr>
<tr>
<td>NIK-774</td>
<td>Memo by GOERENS on a conference held in Essen between WERNING (of the DUERENER METALLWerk) and GOERENS and JOHEN (both of KRUPP). KRUPP was informed by DUERENER METALLWerk that the Ministry of Air had decided that a light metal plant should be established in BERNDORF for the construction of parts for airplanes. Dated: 10 April 1938.</td>
</tr>
<tr>
<td>Exhibit No.</td>
<td>Document No.</td>
</tr>
<tr>
<td>------------</td>
<td>--------------</td>
</tr>
<tr>
<td>NIK - 7311</td>
<td>Memo from JORDEN to Gustav KRUPP re BERNDORF. Indicates that KRUPP had to meet strong German competition in buying BERNDORF. Dated: 12 April 1938.</td>
</tr>
<tr>
<td>NIK - 11183</td>
<td>Letter from OLSCHER to HELLER re BERNDORF. OLSCHER reminds HELLER that GOERING promised BERNDORF to KRUPP. OLSCHER informs HELLER that he negotiated with LOESER on BERNDORF. Dated: 4 May 1939.</td>
</tr>
<tr>
<td>NIK - 5986</td>
<td>Copy of letter from CREDITANSTALT, Vienna, to BUNDESLANDKANZLERAMT, foreign affairs department, Vienna, and: extract from letter of OLSCHER to HELLER. KRUPP sought before the German occupation of Austria to acquire the BERNDORF Metallwarenfabrik. Up to spring, 1938, CREDITANSTALT was able to prevent this transaction. On 4 May 1938 State Secretary KEPPLER notified HELLER, director of CREDITANSTALT, that GOERING had promised KRUPP that the shares of the BERNDORF Works should be sold only to KRUPP. Dated: 4 May 1946 and 4 May 1938.</td>
</tr>
<tr>
<td>NIK - 10806</td>
<td>Memo signed by Robert GLATZL re his discussion of 16 May 1938 with KRUPP people concerning the sale of BERNDORF to KRUPP, Essen. GLATZL notes that KRUPP bargained to get BERNDORF at an inadequate price. Undated.</td>
</tr>
</tbody>
</table>
NIK - 11352  Memo dealing with a telephone conversation of GLATZL and Dr. SCHMIED (Administrator/Commissar of BERNDORF after HAMBURGER's dismissal). SCHMIED informed GLATZL that KRUPP's SCHROEDER and KUSICKA, in their report on BERNDORF, tried to depreciate the value of BERNDORF as far as possible. Dated: 24 May 1938.

NIK - 8438  Letter from LOESER to Gustav KRUPP re BERNDORF. Indicates LOESER's knowledge of Austrian resentment against German economic penetration. Dated: 24 June 1938.

NIK - 108113  Letter from CREDITANSTALT, offering the majority of the BERNDORF shares in its possession to KRUPP (65,195 shares at a price of 8.424,000). Certain conditions are specified. Dated: 12 July 1938.

NIK - 12377  Letter from BERNDORF Works (Clatus von BOHLEN and JOHN) to Gustav KRUPP. Lists the cash of BERNDORF and estimates annual profit exceeding 20% of the amount KRUPP paid for BERNDORF. Dated: 4 October 1938.

NIK - 10673  Report on business year 1937/1938 by BERNDORF, made by KRUPP, indicating the administrative consumption by KRUPP of BERNDORF. Dated: October 1938.

NIK - 11185  Excerpts from report on business year 1938 by BERNDORF including new balance sheet in Reichsmarks, in compliance with an ordinance of 2 August 1938. (Par. 11, R.C. 11, 8, 982). This shows that KRUPP figured the actual value of BERNDORF about three times as high as the price they paid for it to CREDITANSTALT. Dated: June 1939.
<table>
<thead>
<tr>
<th>Exhibit No.</th>
<th>Document No.</th>
<th>Description</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIK - 13075</td>
<td></td>
<td>Expansion for BERNDORF's air-plane parts production was requested with specific knowledge of Alfred von BOHLEN and LOESER. Dated: 25 June 1942.</td>
<td></td>
</tr>
<tr>
<td>NIK - 13077</td>
<td></td>
<td>KRUPP inter-office memorandum re a credit over 2 million marks accepted by KRUPP-Essen for BERNDORF Works. These 2 millions are for war-production expansion. Dated: 25 July 1942.</td>
<td></td>
</tr>
<tr>
<td>NIK - 13089</td>
<td></td>
<td>Further war production expansion of the BERNDORF Works requested with knowledge of LOESER and Alfred von BOHLEN. Dated: 16 October 1942.</td>
<td></td>
</tr>
<tr>
<td>NIK - 8092</td>
<td></td>
<td>Letter from Friedrich BAUR of BERNDORF to SCHROEDER of KRUPP-Essen. The new members of the Supervisory Board of BERNDORF are JANSSEN and Erich HUELLER. Dated: 5 May 1943.</td>
<td></td>
</tr>
<tr>
<td>NIK - 10774</td>
<td></td>
<td>Affidavit of Maximilian HAHN, Engineer, re working conditions at BERNDORF. Dated: 8 August 1947.</td>
<td></td>
</tr>
</tbody>
</table>
ALFRED KRUPP
and his family

The family of KRUPP and its achievements from 1787 to 1940,
A description based on the family and works archives

by
WILHELM BERNROTH

-----------

With a supplement
KRUPP's branch works and concern enterprises
by
FRITZ GERHARD KRAFT

With 118 pictures in the text and on intaglio tables.

1943

Publishers for Social Science, Economy and Statistics
Paul SCHWALTE / Berlin S 63

Derndorfer Metallwarenfabrik Arthur KRUPP Aktiengesellschaft, Derndorf near Vienna.

The Anschluss of the Ostmark to the German Reich in March 1938 had the gra-

fying result as the KRUPP firm that an old plant established in 1843
by the KRUPP brothers and the house of SCHOLLE, the "Derndorfer Metall-
warenfabrik", could be incorporated in the parent firm of KRUPP in Essen.

CERTIFICATE OF TRANSLATION

3 December 1947

I, ANETTE JACOBSOHN, ETO No. 20146, hereby certify that I am a duly appointed translator for the English and German languages and that the above is a true and correct translation of document No. NIK-12076.

ANETTE JACOBSOHN
ETO No. 20146.
I, Hofrat Univ. Prof. Dr. Dr. Franz Rottenberg of Vienna I, Schotten-
gasse 6, have had it pointed out to me that I render myself liable to
punishment if I make a false statement. I hereby state the following
on oath voluntarily and without having been subjected to any coercion
or duress:

Subject: The attempts made by Krupp-Essen to obtain ownership of the
Berndorf-Instalwarenfabriek, Berndorf.

After the re-organisation of the capital of Berndorf by the Credit-
anstalt (1932) 1934 (sd. Dr. F.R.) Krupp-Essen tried continuously to
obtain ownership of Berndorf. Krupp-Essen applied both in writing
and personally to the Generaldirektor of the Creditanstalt, Adrianus
van Hengel; the latter always submitted these proposals to the
Creditanstalt. The Vorstand regularly refused to sell the enterprise
the capital of which had been re-organised with great sacrifices.
Such was the position of the Creditanstalt up to the revolution
(Umbruch) in 1938.

I have carefully read this Affidavit consisting of one (1) page and have
signed it in my own hand; I have made the necessary corrections in my own
hand and have countersigned them with my initials, and I declare hereby
on oath that I have in this statement said the pure truth to the best of
my knowledge and belief.

Sd. Hofrat Univ. Prof. Dr. Dr. Franz Rottenberg
Hofrat Univ. Prof. Dr. Dr. Franz Rottenberg,

Sworn to and signed before me this 7th day of August 1947 at Credit-
anstalt-Bankverein, Vienna, I., Schottengasse 6, by Hofrat Univ. Prof.
Dr. Dr. Franz Rottenberg, sd. I., Schottengasse 6, known to me to
be the person making the above affidavit.

(Signature) E.L. Tislowitz
E.L. Tislowitz
U.S. Civilian Number D-11687
Office of Chief of Counsel
for War Crimes, U.S.
War Department.

- 1 -
CERTIFICATE OF TRANSLATION

I, E.J. Hinchliffe ETO No. 20 152, hereby certify that I am a duly appointed translator for the German and English languages and that the above is a true and correct translation of the document No. NIK-10777.

23 October 1947

E.J. Hinchliffe
ETO No. 20 152
Landrat (retired) Freiherr von Wilmowsky

Marienthal
Neumburg (Saale) Land

Telephones:
Eckartsberga Nr. 208
Berlin B 2 Lustzow 9071

Berlin V 9
Bellevuestr. 16-18 a
Entrance V

Telegrams:
Wilmowsky Marienthal
Neumburgsaaleland
Breiringe Berlin Wilmowsky

3 February 1937

(handwritten remarks):
see enclosure 5 February 1937
Initial: Gustav Krupp

Dear Taffy!

I spoke with State Secretary Lemmors today. He is going to try to have the Führer receive you, if at all possible week after next. I told him that you wanted to speak to him about the possibility of acquiring Austrian shares and then also about Herr Goerdeler. At the same time, asked him to see to it that the audience take place as soon as possible as you were very anxious to have the matter definitely settled and besides the Führer himself had promised to receive you. You told me that you would be here on Monday the 6th. I can then tell you the details personally.

With hearty greetings from

Your

(signed initials): Tilo (v. Wilmowsky)
CERTIFICATE OF TRANSLATION
OF DOCUMENT No.NIK-8700.

22 October 1947

I, Gorta KANNOVA, No. 20 151, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the Document No. NIK-8700.

Gorta KANNOVA,
No. 20 151.
**Translation of Document No. NIK-10815**

Office of Chief of Counsel for War Claims

Berndorfer Metallwarenfabrik Arthur Krupp A.G., Berndorf shares of

8 (Austrian shillings) 120,- each

**Position as on 12 March 1938**

**Austrian property:**

<table>
<thead>
<tr>
<th>Branch offices</th>
<th>41 lots</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creditanstalt-Bankverein</td>
<td>266 &quot;</td>
</tr>
<tr>
<td>other holders</td>
<td>66,882 &quot;</td>
</tr>
<tr>
<td>total</td>
<td>2,068 &quot; 66,913 lot</td>
</tr>
</tbody>
</table>

**German property:**

| Banks | 50 lots |
| other holders | " |
| total | 50 lots |

**Other property:**

| Inland branch offices and foreign property | -- |
| Foreign branch offices | -- |
| Inland banks and foreign property | -- |
| Foreign banks | 656 |
| other holders | 667 lots |
| total holdings | 67,660 lots |

Certified true copy

Creditanstalt-Bankverein

Secretary's Office

Signature illogible

---

CREDENTIAL OF TRANSLATION

24 October 1947

I, ANNETTE J. O. JOHNS, BT. No. 20146, hereby certify that I am a duly appointed translator for the English and German languages and that the above is a true and correct translation of the document No. NIK-10815/
AFFIDAVIT

I, Dr. Hans Pirquet, residing in Pöden near Vienna, Jacobshofstrasse 14, after having been informed that I render myself liable to punishment if I give a false affidavit, do herewith state under oath voluntarily and without duress the following:

Following 5 Pages of my Affidavit

(Signature) Hans Pirquet
TRANSLATION OF DOSSIER NO. 11287 - 1977

CONTINUED

(page 2 of original)

Dr. Hens Pirquet

Vienna, 7 August 1947.

Bodan near Vienna

Saueroestrasse 14

Transcript

of the Interrogation by Mr. Tischlitz, Chief of Chief of Council for
War Crimes (O.C.C.W.C.), Nuremberg.

Since March 1924 I have been in the employ of the Barn Dorf-
Metallwarenfabrik (Arthur Krupp) A.G., Barn Dorf near Vienna, which was
assigned to all sales sections and since 1922 I was head of the sales
section for semi-finished products, in which capacity I was given
Prokur in 1927. I remained in the last named position during the war
until the end of the war. Since that time I have been the head of
the Vienna Branch of the above mentioned firm.

Barn Dorf was founded in the year 1846 by the Viennese industrialist
von Schober, it later became the property of its technical director
and later successor of Hermann Krupp, and in due course of his son the
above mentioned Arthur Krupp. As a result of the crisis of 1918/19 the
Oesterreichische Creditanstalt-Viennner Bankverein, Vienna obtained majority of
the stocks (approx. 60 %). In the year 1928 majority of the
stocks held by the Creditanstalt-Viennner Bankverein, Vienna was transferred
to the Friedrich Krupp A.G., Essen. I have no personal knowledge of
the occurrences at the transfer of ownership in the year 1928. In this
connection I received information only through third persons.

The production program in Barn Dorf covered three manufacturing
fields. Originally flatware and table silver was produced out of various
metals, silver plated and without silver plate. Later, in the course
of time, the production of semi-finished products of all types such as
decoys, bowls, pipes, rods etc., which originally had been intended only
for the flatware and table silver production, were included. The production
of semi-finished metal products included the entire fields of heavy metals
(nickel, copper, zinc and their alloys). The third manufacturing section
was concerned with the production of bottles for large kitchens, apparatus
of all types for various branches of the food, luxury and chateau indus-
trial etc. and in an extension, also to the semi-finished products
section, of the original flatware and table silver business caused by the
need for large kitchen installations in hotels, ships, etc.

As a result of the loss of the large sales territory of the
Austrian-Hungarian Monarchy after the First World War the business in
Barn Dorf was especially adapted for export during the time up to 1933;
the circumstances were such that an average of 1/3 of the production
was supplied for home consumption and 2/3 for export. Barn Dorf was
especially successful in exporting coins in the form of coin discs.

- 2 -
Until the outbreak of the 2nd World War, Bendorf, as a supplier of war materials, was concerned only with the production of preliminary products of brass and lead (small arms) resp. preliminary supplier for the production of shells for infantry ammunition. Finished war material was not produced in Bendorf.

The transfer of the ownership of Bendorf to the Friedrich Krupp A.G., Essen, after the events of March 1938 brought about the fact that the administration council and Verstand were newly appointed by Essen. Since a Friedrich A.G. was concerned the important positions in the administration and Aufsichtsrat were held by members of the Krupp von Bohlen and Halbach families.

(Signature) Hans Pirquet.

Dr. Hans Pirquet, Essen near Kran, answerer of the interrogation G.G.K., Hamburg, concerning Bendorf for Friedrich Krupp A.G., Bendorf.

After the transfer of ownership to the Friedrich Krupp A.G., the following were appointed to the Verstand: Chairman Diplom Civil Hans von Bohlen, Dr. Ing. Friedrich Bur and Ing. Karl Solmecke...

In important changes were made in the nature of the production, as it had been described above, until the outbreak of the 2nd World War, especially since the activities of the Verstand appointed by Essen did not begin until the year 1938. Hence, the plans for the modernization of the machine hall, to bring about the assimilation to the production conditions in the German Reich at once as they could be placed under the difficult supply conditions, were made in this connection.

During this time, too, plans were made for a light metal plant to supplement the existing production of heavy metal semi-finished products. The erection of a light metal plant in Austria, which up to this time had depended on imports, was in accordance with prevailing conditions. The German Reich's desire for self-sufficiency brought about the fact that the sale of heavy metals such as copper, nickel, and zinc, which were required for the production of brass, could no longer be covered by the existing light metal industry, played a large role in the decision to plan a light metal plant in Bendorf. The production of preliminary brass products to be supplied to infantry shell manufacture was altered, in the time prior to the outbreak of the war, only insofar as the important Austrian shell factory in Krumenborg now converted its production to the orders for the Reich. However, no important expansion took place in Bendorf during years leading up to 1938. Under consideration of the copper shortage a conversion to plated infantry ammunition was introduced. Under consideration of Krumenborg Bendorf installed a plating plant, to enable them to supply brass and to also plated preliminary products for infantry shells.

- 3 -
Naturally a basic change took place in these circumstances after the outbreak of the war in September 1939. On the order of the Reich authorities, the production was converted from peace to wartime needs here as everywhere else. The previous needs for home consumption were pushed further and further into the background, although prewar production for export purposes was maintained for some time, insofar as this was possible under consideration of the transportation conditions. However, the shortage of heavy metals limited our peace-time production programs and made a conversion to iron and zinc and their alloys and above all to light metals, which were increasingly important in covering the needs, resulted. In reaction of a light metal plant, which in the opinion of the Reich offices, should have taken place either near the Hunsfelder Metallwerke, Barmen, (approx. 7 km distant from Berndorf) or in Berndorf, was now authorized for the two important Austrian metal works. Construction of the extremely expensive light metal plant in Berndorf began in the year 1940. The plant was opened in 1942, the production began in 1943, however, really important quantities of light metal products were not produced until 1944.

(Signature) Hans Birkaut.

The production of preliminary products for infantry ammunition was at first decreased until 1941, to be increased from that on until the end of the war, after conversion to steel and steel plate materials. Since the production of coin discs, principally of zinc for home and foreign consumption, continued in the same plant, the production of preliminary products for infantry ammunition did not in the average reach the level of the production figure for export. Similarly, the sections of flax and tabi silver were increasingly converted to the supply of preliminary products for war needs, the same applied to the sections production battle and apparatus. Direct deliveries to the Reich ministries offices were rarely made from Berndorf, since Berndorf functioned almost exclusively as a feeder industry of preliminary products to the manufacturers of finished products. Naturally, the direction through Reich offices of all manner of civilian and military types was decisive for Berndorf just as they were for all other factories. In this connection it is to be mentioned that the Plant Association Lower Austria, located at a point distant from Berndorf, was also devoted to the production of pipes and yards of metals of all types and increasingly utilized light metals, zinc alloys and steel during the war. The new large press for the production of pipes which was erected in this plant was not completed until 1944. However, gun barrels were not concerned but rather pipes, such as are normally produced by the semi-finished metal products industry. No transfers were affected by the Assener manufacturing program, especially since the character of the two manufacturing programs was dissimilar. It should not be unmentioned that Berndorf, just
as other Austrian industries, had to overcome great difficulties in obtaining new machines, plants etc., since through the arrangement of the German industry from March 1938 onward an overload of work existed in the machine industry. Thus it was that the new plants and investments planned were not completed until late in the war.

When, during the course of war events, Berndorf was occupied in early April 1945, work ceased completely. Berndorf's entire files were lost as a result of the occurrences during the war and after the war, so that the precise data on prices and wartime conditions are no longer available. The financial situation in Berndorf was also catastrophic after the war, since through the conversion from pre-war to wartime needs, only the credits arising from deliveries of war material were available, nearly all of which were impossible to collect. At present, Berndorf is producing a very limited quantity under a military administration.

As far as personnel is concerned, the above described change in the management and personnel took place after the transfer to Friedrich Frump, Essen. Gentlemen from "Altneihe" were brought in to take over the other key positions in the apparatus and light metal plants and purchase departments. In addition various other positions were probably occupied by people from the Reich, since the number of employees was approximately doubled between 1933 and 1945. However, the constitution in the personnel sphere was in general very limited, since the leading Austrian officials objected to a too great expansion. Also the shortage of personnel created by the war was effective in this connection.

Dr. Hans Pirquet, Dr., Baden near Vienna, Translator of the interrogation OCGA, War Crimes concerning Berndorfer Metallurgische A.G., Berndorf.

As far as conditions among the employees are concerned they averaged approximately 2,000 persons. While, as a result of the conditions in Berndorf, only younger persons were called into military service at first, during the course of the war an ever increasing percentage of the original employees remained in the plant, so that finally, after replacing increasing numbers of men through indigenous female workers, the ratio of foreign laborers and indigenous workers amounted to approximately 1/3 indigenous and 2/3 foreign. Frenchmen were employed first of all in the year 1941, later in addition to other nationalities numerous Russian civilian laborers and to a small extent, as far as I can recall, for example in the Austrian Plant, also Russian prisoners of war.

While the French were better treated, due to prevailing, official regulations-I never/complain from this side - I received complaints through third persons about the accommodations and food for the Russians, I must emphasize that I had no opportunity in my position to make personal observations in this field.
After the death of Dipl. Ing. Claus von Lehmen, Dr. Ing. Friedrich Brur and Ing. Karl Geluecke were responsible for the Plant and held the same rank, both complied with the stipulation for their employment by being Nazis. While Ing. Geluecke was in charge of hiring employees and their placement in the Plant, Dr. Ing. Brur was in charge of accommodation, principally in barracks and food. I had more opportunity to come into constant contact with Dr. Ing. Brur. In accordance with my impression gained of him over a period of years, a gentleman is characterized, who fulfilled his duties in the manner absolutely characteristic to the Prussian education and tradition, "stubbornly," looking forward, undoubtedly correct in the sense of orders and directives given to him, but without such effect of personality, that is human, feelings. The justification for the complaints on the part of the foreign laborers during the war came to me, as I have said, through third persons, and that through the fact that Austrian fellow laborers made sympathetic statements.

Dr. Brur and Ing. Geluecke "design" when the occupation became inevitable and above all brought their families into safety, at first in Austria near Salzburg. Their present location is, as far as has become known to me, Dr. Ing. Friedrich Brur, presumably interpreter with the occupation forces, Tübingen, Nürtingen, Ing. Karl Geluecke, presumably Director of the Klöckner-Humboldt-Deag., Cologne, Rheinland.

For enquiries as to personnel the following gentlemen could be approached:

1. Karl Kupper, Chief of the Pay Office, competent for matters concerning the laborers in accordance with the directions by the members of the Vorstand until April 1945 Berndorf, since that time in Innsbruck.

2. Sonn. Ing. Anton Lukas, chief of the Austoter-Plant, at present holding the same position with the address: Mark Austoten of the Berndorf Metallwerkenbrik A. G., Lower Austria.

3. Karl Turze, Berndorf, Lower Austria, employed of the Berndorf Metallwerkenbrik A. G., until April 1945 with commercial activities, at present food Referent with the City Administration Berndorf. After April 1945 he participated in the investigations by the provisional political offices of persons against whom political charges were brought.

4. Karl Schützenhofer, Berndorf, employed with Berndorf until April 1945

(Signature) Hans Pirquet.
had been brought, and records concerning the treatment of foreign laborers might be available there.

S. Ferdinand Passnocht, Borndorf, employed by the Bornedorfer Fabrik until April 1945 as electrician. At present Public Administrator and Director of the Bornedorfer Metallwaffenfabrik A.G.

J. Schott, Borndorf, employed as laborer in the colored metal rolling mill of the Bornedorfer Fabrik. At present personnel manager of the Bornedorfer Metallwaffenfabrik A.G., Bornorf.

(Signature) Hans Pirkast
(Dr. Hans Pirkast)

I have carefully read each of the five pages of the affidavit and have personally signed it, have made the necessary corrections in my own handwriting and have initialed them and herewith declare under oath that to the best of my knowledge and belief I have stated the whole truth in this affidavit.

Signature Hans Pirkast
(Dr. Hans Pirkast)

Sworn to and signed before me this 5th day of August 1947 at the Vienna Branch Office of the Bornedorfer Metallwaffenfabrik Aktiengesellschaft, Vienna 1, Hollweide 12, by Dr. Hans Pirkast, Eden bei Wip, Saerbachstrasse 14, known to us to be the person making the above affidavit.

Signature E.J. Tischwitz
(Sig. Tischwitz)

U.S. Civilian D 143674
Office of Chief of Counsel
for Er Crimes,
U.S. War Department

I, Jack Yerkheim, AGO Br. D 23c 109, hereby certify that I am a duly appointed translator for the German and English Languages and that the above is a true and correct translation of the document No. VII - 16775.

I, Robert Glotzl of Vienna XIX, Hardtgasse 25, after having been duly warned that false statements on my part will render me liable to punishment, herewith state the following under oath, voluntarily and under no duress:

Subject: Cession of shares held by the Creditanstalt-Bankverein, Vienna, of the Berndorfer Metallwarenfabrik (Factory for metal goods) Arthur Krupp A.G. Berndorf/Ewer Austria.

1) Financial reorganisation of the Berndorf Metallwarenfabrik before 1934

The unfavorable development of Austrian economy in the period following World War No. I had the result that the Berndorfer Metallwarenfabrik Arthur Krupp A.G. showed considerable losses in their balance sheets year after year. In the end these losses by far exceeded the capital of the enterprise. The Creditanstalt-Bankverein had been well represented in the Verwaltungsrat (Board of Administration) for decades, had always held a majority of shares, and besides, by enormous financial credits, was interested in the fate of this debtor. At that time the financial reorganisation of the Creditanstalt-Bankverein from resources of the Austrian state took place, and this institution ceded part of the reductioins granted to its Konzern enterprises. The sacrifices made in the course of this measure designed to free from financial encumbrances (Entschuldigungsaktion) reached an amount of approximately 40,000,000. — for the Berndorfer Krupp A.G. On reconstruction of the balance sheets of the Krupp A.G. all assets were evaluated very carefully and at a low rate, in order to facilitate a redemption of the original capital of the enterprise, pro futuro, on the one hand, and on the other hand in order to arrive at the smallest possible capital which would not encumber the estimation of profits with the payment of large dividends (hoher Gewinnerhoschuttungen) in years to come. The estimation of assets as given in this reconstruction balance could never be considered the basis for serious sales negotiations.
2) Sale of block of shares of the Creditanstalt-Bankverein to the Friedrich Krupp Aktiengesellschaft in Essen in 1938.

The negotiators Klaus von Bohlen-Halbach, Johannes Schroeder (Finance Director of the firm of Krupp, Essen) and Ing. Rusichka of the Krupp-Crusen-plant in Hagedenburg, sent by the Friedr. Krupp A.G., Essen to negotiate shortly after Austria's Anschluss to Germany, made offers which were not even debatable; they also considered the evaluation of assets of the reconstruction balance of the Berndorfer Krupp A.G. much too high, and left no stone unturned in order to deprive the bank of this valuable share at as little financial cost as possible.

When I broke off negotiations in May 1938 and reported to my principals at the bank (the Board of Directors - Vorstand) that I considered it unjustifiable to dispose of such a valuable enterprise for a mere token amount (Anerkennungsbetrag) Goering via Keppler i.e. Olscher (Vereinigte Industrie-Unternehmungen Aktiengesellschaft, Berlin) intervened - as I was told by Herr Baurat Ing. Keller - and despite all remonstrances - I could not prevent the acquisition of this valuable enterprise by the Friedrich Krupp A.G. in Essen for a round sum of RM 3,424,000.

3) Definition of point of view regarding this sale.

It was important for the powerful Armament Concern of the Friedrich Krupp A.G. Essen, with interests in many European states, to gain a foothold in Austria as well, especially if this acquisition could take place at a price far below the real value. Besides, the center of gravity of the production of Krupp, Essen, was on the steel and machine sector; the production centers of Berndorf and Amstetten - the latter a bar plant (Stangengewerke) belonging to Berndorf - were metal plants. By acquiring parts of the Herkenstein domain (Herrschaft) the house of Krupp, Essen, was able to round off its forest and hunting grounds "Walster" near Mariaszell parts of which adjoined the Herkenstein domain. If the evaluation had been serious this could have been done only with considerable financial sacrifices.

Immediately after the acquisition of Berndorf, Krupp, Essen, appointed a new Aufsichtsrat (Board of Directors) for the Berndorfer Krupp A.G. I remember Herren Krupp von Bohlen and Halbach sen., chairman, Ilmowsky, Loss, etc., etc. The Factory
was given a new management: Claus von Bohlen und Halbach (General Director), Baur (commercial management), Goluecke (technical management) etc. etc. By this measure the Berndorfer Krupp A.G. became part of the German armament industry. When, middle of 1939, before the outbreak of war, I went to inspect the installations in Berndorf I was already shown the Aluminum rolling mill under construction. Herr Claus von Bohlen-Halbach told me, upon my remonstrance as to why they had absolutely insisted on buying the small Berndorf that when they bought their interest they had had in mind the possession of an enterprise with peace and export production, besides the predominant armament programs of the Krupp plants in Germany, so that Krupp could point out that they exported and thus could veil his armament production. Klaus von Bohlen-Halbach furthermore added that the Reich Offices, however, urged Berndorf's inclusion in armament production.

During the sales negotiations the Krupp representatives told me - as mentioned in detail in my report of 16 May - that in case of acquisition it was planned to install heavy presses for approximately $3,000,000.- in Amsetten, and in Berndorf a completely new plating installation as well as a light metal department. The heavy presses and the light metal installation could in my opinion also be used for armament purposes.

4) Consequences for the Creditanstalt-Bankverein.

May I point to the figures - page 3 - of the information of the bank dated 2 August of this year. The institute calculates its losses - based purely on booking figures - at EM i.e. S 15,056,000.-. But the actual loss must be estimated much higher because as proved by experience when the so-called Reichsmark initial balance was given only absolutely free reserves were shown i.e. converted into capital; sleeping reserves as for example metal stocks etc. could be retained further. No doubt, the Creditanstalt Bankverein suffered a severe loss; however, through the complete absence of a compensation clause under the heading of "good will" which is customary when industrial enterprises change hands.

5) Other industrial shares ceded by the Creditanstalt-Bankverein under pressure from the Berlin Central Offices.

The loss of the Berndorfer Metallwerke caused by the Friedrich Krupp A.G., Essen, is by no means a
isolated case with regard to the losses of the Creditanstalt-Bankverein. First shares in industrial enterprises considered for conversion into armament factories were taken away from the Creditanstalt-Bankverein by similar means. I mention the following cases:

Acquired by:

- Pulverfabrik (gunpowder factory) Skodawerke Wetzler Aktiengesellschaft
- Erste Donau-Dampfschiffahrts-Gesellschaft (First Danube Steamship Company)
- Kärntnerische Eisen und Stahlwerke Gesellschaft, Forlech
- Martin Miller Aktiengesellschaft
- Schiffswerft Lins Aktiengesellschaft
- Simmering-Graz-Pauker Aktiengesellschaft für Maschinen, Kessel und Waggonbau (for machines, boiler and wagon construction)
- Feinblechwerke Traisen A.G., verm. Fischer
- Steirische Gusstahlwerke A.G. (Styrian Cast iron steel works)
- Steyr-Deutzer-Fuch A.C.
- Tendeloff-Vomag Vereinigte Armaturen und Maschinenfabriken A.G. (Associated Armament and Machine Factories)

I.G. Farbenindustrie A.G.

Reichswerke Hermann Göring

Reichswerke Hermann Göring

Edelstahlwerk Schmidt & Clemen, Frankfurt a/M, Bergisch

via Reichswerke Hermann Göring Erste Donau Dampfschiffahrts-Ges.

Reichswerke Hermann Göring

Reichswerke Hermann Göring

Reichswerke Hermann Göring

Reichswerke Hermann Göring

Vereinigte Armaturen Ges., m.b.H. Mannheim
The Creditanstalt-Bankverein in Vienna is in possession of evidence regarding the above mentioned compulsory sales.

I have carefully read each of the four pages of the above affidavit and signed them personally, have made the necessary corrections in my own handwriting and countersigned same with my initials and herewith declare under oath that this statement contains the whole truth and nothing but the truth to the best of my knowledge and belief.

(signature) Robert Glatzl

Sworn to and signed before me this 5th day of August 1947 at Vienna (Creditanstalt-Bankverein) by Robert Glatzl, Wien XIX., Hardtgsasse 25, known to me to be the person making the above affidavit.

(signature) E.L. Tislowitz

Office of Chief of Counsel for War Crimes
U.S. War Department
CERTIFICATE OF TRANSLATION

14 October 1947

I, Gerta KANNOVA, No. 20 151, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the Document No. NIK-11177.

Gerta KANNOVA,
No. 20 151.
I, Mr. Johann JOHLEN, having been warned that I will be liable to punishment for making a false statement, state hereby under oath, of my own free will and without coercion, the following:

I hereby confirm that I assisted in the drawing-up of Arthur KRUPE's testament.

Arthur KRUPE was the director of the Berndorf'schen Werke (Berndorf Works). However, in the course of time this actual share of the Berndorf Plants excessively diminished. The actual proprietor was the Oesterreichische Kreditanstalt. Arthur KRUPE, however, always considered himself as the proprietor of the Berndorf Plants, although, in fact, he was no longer. The negotiations were conducted with the actual proprietor, the Oesterreichische Kreditanstalt. The Berndorf Works belong ed to his Excellency, Arthur KRUPE, the grand-uncle of Frau Bertha KRUPE von SCHLEN und HALBACH. He was forced by circumstances to sell the greater portion of his share holding to the Oesterreichische Kreditanstalt. Approximately in 1936 it was mooted to acquire these shares for KRUPE again in order to regain the former family enterprise for the ownership of the house of KRUPE. The second son Claus, who his Excellency, Arthur KRUPE, wanted to make and did make his sole heir, was later on to receive the shares of Berndorf, to set him up so to speak, as subsequently provided for in the family statute for the brothers and sisters. Therefore it was necessary to negotiate with the Oesterreichische Kreditanstalt concerning the purchase of the shares by KRUPE.

The main difficulty in these pre-Anschluss negotiations concerning the Berndorf Plants was the question of foreign exchange; however, prior to the Anschluss as well as the price question was of equal importance. I don't remember what price has been discussed at that time; perhaps, an exact price was not even named.

Tilo von WILSESKY also participated in these pre-Anschluss negotiations concerning Berndorf. The negotiations in which I participated were very lively at times but, on the other hand, interrupted by periods of inactivity. At the time of Anschluss I went to Gustav KRUPE von SCHLEN und HALBACH and told him that the moment had now come to resume negotiations, since the question of foreign exchange no longer existed. Further, I recall that KRUPE was in contact with Hermann Goering concerning the acquisition of the Berndorf Plants. I am convinced that Goering favored the acquisition of the Berndorf Plants for KRUPE. I do not recall who conducted these negotiations with Goering on behalf of KRUPE's, probably Gustav KRUPE von SCHLEN und HALBACH himself, and later certainly Looser too, either directly or through an intermediary.
We hoped to be able to buy the shares of the Berndorf Plants very cheaply, for the financial situation of the Berndorf enterprise was not good. Despite this the conclusion of a purchase agreement did not come about, especially also because of the existing foreign exchange difficulties.

After the Anschluss of Austria, there were no actual difficulties with regard to the transfer of the payment for the acquisition of the Berndorf Plants. Without the Anschluss, the acquisition of the Berndorf Plants would have been possible only much later, if at all.

It is certain, that the Anschluss of Austria decisively favored the position of Krupp concerning the acquisition.

I still took part in the first negotiations after the Anschluss. Later on these negotiations were conducted in the first place by Herr Looser and by Herr Johannes Schroeder.

I have carefully read each of the 3 pages of this affidavit under oath, I have made the necessary corrections in my own handwriting and initialed them, and I hereby declare under oath, that I have stated the absolute truth in this affidavit to the best of my knowledge, and belief.

(Signature): Lr. Johannes Joosten
(Signature of Deponent)

Sworn to and signed before me this 30th day of June 1947 at Neuberg by Lr. Johann Joosten, known to me to be the person making the above affidavit.

(Signature): Lr. Max Maedolnaub
U.S. Civilian L 422 622 (AGO number )
Office of Chief of Counsel for War Crimes
U.S. Department

CERTIFICATE OF TRANSLATION

15 January 1948

I, George Goodwin, No. 34 789, hereby certify that I am thoroughly conversant with the English and German language and that the above is a true and correct translation of document No. MJK - 13 171.

George GOODWIN,
No. 34 789.
I, Mr. Johann Joden, having been warned that I will be liable for punishment for making a false statement, state hereby under oath, of my own free will and without coercion, the following:

I was shown a letter dated 12th April 1938. It dealt with a file note on the discussion with Director König of the Lorenzer Metallwerke...I recognized my signature. The letter is addressed to Mr. Gustav Krupp von Bohlen und Halbach.

This letter dealt with the interest shown by the Württembergische Metallwarenfabrik concerning a participation in the Berndorf-Plants. (Berndorf-Werke). I consider it my duty to inform Mr. von Bohlen of this matter. Besides, this participation did not materialize, the fact is that, after the Anschluss the Württembergische Metallwarenfabrik was also interested in Berndorf, since the Württembergische Metallwarenfabrik and the Berndorf-Plants worked in the same field.

Mr. König, the director of the Lorenzer Metallwerke ..., of that time, explained to me at that time that he was interested in Berndorf on behalf of his firm. The firm Basso & Solder was interested too, so that I could inform Herr von Bohlen that 3 interested firms were now concerned with the Berndorf-Plants.

As mentioned in this letter, it is correct that the military authorities intended to establish a light metal works in Berndorf immediately after the Anschluss. Thus the purpose of the Berndorf works was to be enlarged and converted as soon as possible. Indeed later this was actually done.

We were told by Mr. König that the Krupp firm had to act quickly, and I informed Mr. Krupp von Bohlen of it. Actually we then acted quickly, or else other German firms, or governmental authorities, would have gained possession of Berndorf.

I have carefully read each of the two pages of this affidavit on oath, I have made the necessary corrections in my own handwriting and initialed them, and I declare hereby on oath, that I have told the full truth in this declaration to the best of my knowledge and belief.

(Signed): Mr. Johann Joden
Sworn to and signed before me this 30th day of June 1947 at Nuremberg by Mr. Johann Joeden, known to me to be the person making the above affidavit.

(Signature): Dr. Max Hadellaub
U.S. Civilian
a66-No. D 432 622
Office of Chief of Counsel
for War Crimes
U.S. War Department.

CERTIFICATE OF TRANSLATION

15 January 1948

I, George Goodman, No. 34 789, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of document No. M1K - 13 172.

George Goodman,
No. 34 789.
Handwritten: Telephone conversation with Dr. Loesser and Dr. Joeden.

22 April 1938

signed: Oll.

Vienna, 19 April 1938.

Dear Taffi!

I arrived in Vienna this morning and am leaving for Berndorf tonight. There has been a considerable decline in O.A.'s physical strength in the last few days; however, there is still hope for improvement. I was at considering cancelling my trip, but shall start on it tomorrow nevertheless, unless his condition gets much worse. Otherwise I heard the following:

Herr Hamburger's dismissal is definite. At the instigation of the Creditanstalt, a university lecturer Schmied from Danzig, an Austrian, has been appointed provisional supervisor in addition to the Betriebsfuhrer (plant leader) Kern. Herr Kern had, hitherto, been in charge of commercial problems, however, he lacks insight where the management of the entire plant is concerned and does not possess the necessary authority.

A Baurat Heller, hitherto consultant for the industrial transactions of the Creditanstalt, is now the president of the Direktion. Joham is a member of the Vorstand. Herr Friedel and Dr. Pfeiffer have further been added as new members of the Vorstand. The latter gentlemen is a confidential agent (Vertrauensmann) of the party and is well known to mayor Neubacher.

Herr Heller has been described to me as an intelligent person with a pleasing personality, who however has no full authority and is little inclined to part with blocks of shares. Also with regard to the personnel problems in Berndorf, he will hardly be able to exercise sufficient authority. I heard it rumored that Direktor Abs was to take over the Creditanstalt, this is, however, nothing but a rumor.

I also spoke to the former Berlin ambassador, His Excellency Riedl, whom I used to know well, and who is at present Staatssekretaer under Minister of Trade Fischbeek. He had not yet been informed of your plans regarding Berndorf. I gave him the information. He is absolutely reliable.
It seems to me that the whole situation as it is urgently demands that Herr Joeden should get in touch with Direktor Ahs as soon as possible, since, in my opinion, he will be the most suitable person through whom the Creditanstalt can be contacted.

Finally, I have just had breakfast with mayor Neubacher with whom I have been well acquainted for many years. I informed him also. Herr Neubacher is friendly with Herr Raffelsberger, who, at the present moment, is the Kommissar for all questions related to industrial economy, especially personnel questions. Herr Neubacher described the sale of certain blocks of shares through the banks as highly desirable, since large building projects are imminent in Vienna, in particular the construction of a fair ground and the building of a Danube harbor.

Also

I sent a copy of this letter to Dr. Joeden.
I hope that you agree with the steps I have taken.
I shall give you a more detailed report on O.A.'s condition from Berndorf.

Kindest regards!

Yours,
signed: Wilmowsky.

Herr
Krupp von Bohlen und Halbach,
Elmenbach.

CERTIFICATE OF TRANSLATION

12 January 1948

I, John POSBERRY, No. 20179, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the Document No. NI-770.

John POSBERRY,
No. 20179.
Decree restricting the establishment of business enterprises and plants in the province of Austria.

Dated 19 March 1938.

By virtue of Article III of the law concerning the reunion of Austria with the German Reich, dated 13 March 1938 (Reich Law Gazette I p. 237) the following is decreed:

1. For natural or legal persons who had their domicile or business establishment in the German Reich outside of Austria it is prohibited:

1. to establish new business enterprises or plants in the province of Austria;
2. to acquire business enterprises or plants located in the province of Austria, or to participate in such;
3. to transfer business enterprises or plants located in the German Reich, outside of Austria to Austria;
4. to establish subsidiaries, branch companies, plant installations, agencies and the like in Austria for business enterprises or plants located in the German Reich outside of Austria.

The Reich Minister of Economics may grant special exceptions to the provisions of Par. 1. He may transfer the right to grant this approval to other offices. Fees or conditions may be attached to exceptional cases of approval.

3.

(1) Whoever contravenes provisions of this order or an imposition, or evades them, can be punished with a penalty by the Reich Minister of Economics. The penalty consists of a fine, the highest amount of which is unlimited. The fines will be recovered by the finance offices according to the provisions of the Reich Tax Regulation or according to regulations that have been or will be issued for its execution.

(2) On application of the Reich Minister of Economics he may be punished with imprisonment and a fine to an unlimited amount, or with one of these two punishments. The application for sentence may be withdrawn.

4.

The execution of the provisions of this decree may be enforced by the police power according to the laws of the country.

5.

(1) This decree goes into effect on the date of its promulgation.
(2) It expires on 1 October 1938.

Berlin, 19 March 1938.
The Reich Minister of Economics, Walther FUNK.
The Reich Minister of the Interior, for PFUNDNER.
CERTIFICATE OF TRANSLATION

I, John E. ROBINSON, Civ. No. 046 350, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the Document No. MI-3041.

17 June 1947

John E. ROBINSON
Civ. No. X-046 350
Berlin, 30 March 1938

Discussion with BLESSING, Director of the Reichsbank, on 29 March 1938.

Subject: Berndorf.

Herr BLESSING has up to now been unable to establish exactly the extent of the interest which the Reichsbank has in the Oesterreichische Credit-Anstalt. As far as he knows 13 per cent of the stock capital of the Oesterreichische Credit-Anstalt is in the hands of the Reichsbank through the Oesterreichische Industrie-Creditbank. In addition, he believes that the old Austrian Government (Bundesregierung), likewise through the Industrie-Creditbank in Vienna, has had an interest in the Oesterreichische Credit-Anstalt which has now passed into the hands of the German Reich. The Director of the Industrie-Creditbank will pay him a visit on Friday, 1 April. He would then know exact figures which he would then pass on to me.

That BLESSING emphasized/one should show understanding if the Oesterreichische Credit-Anstalt maintained the greatest possible reserve during the opening stage of the negotiations concerning the sale of blocks of industrial stock, for the same reasons which were mentioned by Herr Filller. However, he very much recommended informing Staatssekretär BRINCKMANN, and advised furthermore writing Ministerialdirektor BERGER of the Reich Ministry of Finance a picture of the situation.

CERTIFICATE OF TRANSLATION

December 2, 1947

I, Annette Jacobsohn, 20146, hereby certify that I am a duly appointed translator for the English and German languages and that the above is a true and correct translation of the document No NIK-7313.

Annette Jacobsohn
No. 20146

"END"
Dear Herr von Wilmowsky!

I only now find time to answer your letter regarding Krupp-Berndorf. I have meanwhile spoken to Generalfeldmarschall Goering and he raised no objections to your firm taking over the majority of shares of the above mentioned firm. I shall presumably discuss the matter also with the trade minister here today.

As I already informed you the taking over of blocks of shares has been stopped by the decree of the Reich Ministry for Economy, thus it will be impossible for you to be presented with facts accomplis which might be undesirable to you.

I may take it for granted that on this enterprise being taken over you will do everything possible to raise Austrian economy to the level which is desirable not only in the interests of Austria but also in those of Germany.

Heil Hitler!
Yours very truly

(signature): illegible
12 January 1948

I, John FOSBERRY, No. 20179, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the Document No. NI-766.

John FOSBERRY, No. 20179.

- 2 -
(END)
AFFIDAVIT

I, Wilhelm KEPPLER, having been warned that I am liable to punishment if I make a false statement, hereby make the following statement under oath of my own free will and without coercion:

On 14 October 1947 the photostat of a document was shown to me, Wilhelm KEPPLER, which had been addressed to Landrat Freiherr von MILNOWSKY, dated Vienna 2 April 1938. This document bore the identification number, M-1 766, of the United States Prosecution. In this document I informed Herr von MILNOWSKY that I had spoken with Field Marshal General GOERING on the subject of Krupp/Schöndorf, and that the Field Marshal had no objection if Krupp assumed the control of Schöndorf. I do not doubt the authenticity of this photostat, which bears my signature. I recognize this signature as my own, although I feel compelled to add that I no longer recall the particulars of this affair. At this present time I am only able to add the explanation that, about that time Field Marshal General GOERING was making a trip to Austria and that he consulted me with regard to the taking over of the Austrian plants by the Reichswerke (Reichswerke Horstmann GOERING). He then gave me some orders with regard to the taking over of these works, and I assume that he also gave me a similar order at that time with regard to the Berndorf-Werke. However, I am drawing this conclusion from the document that was submitted to me today, and not from any exact details that I can recall.

I have carefully read the one page of this affidavit, and signed it in my own handwriting. I have made the necessary corrections in my own handwriting, I have signed them with my initials, and I hereby declare on oath that I have told the absolute truth in this affidavit to the best of my knowledge and belief.

Wilhelm KEPPLER
(Signature of Dependent)
Sworn to and signed before me this 28th day of October 1947 at Nuremberg by Wilhelm KEPPLER, known to me to be the person making the above affidavit.

(Signature): Leo DOBBS
U.S. Civilian
AGO Number A 165 775
Office of Chief of Counsel for War Crimes.

CERTIFICATE OF TRANSLATION

16 November 1947

I, Gerta KAMNOVA, No. 20151, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of Document No. NIK-12075.

Gerta KAMNOVA,
No. 20151.
State Secretary

Ministry of Economics
(Staatssekretär im Reichs- und Preußischen Wirtschaftsministerium)

Berlin W 8, 9 April 1938
Behrenstrasse 45

To
Herr Landrat (retired)
Freiherr von Wilmowsky

Marienthal
via Naumburg (Saale).

Dear Herr von Wilmowsky!

I acknowledge receipt of your letter of 30 March 1938, with enclosure, and have taken note of the fact that the firm of Krupp are proposing to participate more actively again in operations of Berndorfer Metallwarenfabrik.

May I leave it to the discretion of your brother-in-law to file with the Reich Ministry of Economics an application for granting an exemption, as provided in article 2 of the decree on restricting the establishment of industrial undertakings and plants in the land of Austria, of 19 March 1936, 2212 (Reichsgesetzbblatt - Reich Law Gazette) I page 264, when the moment for realization of his plans has come.

I am remaining with

Heil Hitler,

Your very sincerely
(signed) signature

To Herr von Bohlen

by order of Landrat von Wilmowsky. A copy has been sent to Dr. Joeden.

(signed) Recots

19 April 1938

(handwritten):
Orally with Herr Loeser and Dr. Joeden,

22 April 1938

"A CERTIFIED TRUE COPY"
I, Gerta KAMNOVA, No. 20151, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the Document No. NI-771. 

Gerta KAMNOVA,
No. 20151.
Memorandum

Conference at Essener Hof, Sunday, 10 April 1938

Present: Director Werning, Duerener Metallwerke A.G.
Professor Geerens
Dr. Joeden

The meeting had been arranged for Sunday so as to enable Herr Klaus von Bohlen, who is at present at training maneuvers, to attend. Unfortunately, however, Klaus von Bohlen was forced to send word at the last minute that he could not be present.

The purpose of the meeting was to discuss the plans of the various parties as regards Berndorf. Herr Werning explained that for some time already his firm had been considering to secure the Austrian market. Political events had given new impetus to this idea, and he then immediately thought of Berndorf, especially, since he had spent eight years (1921 to 1929) with Berndorf as Betriebsfuehrer, thus being familiar with conditions there. From discussions he had had with men close to the Aviation Ministry, he had come to the conclusion that government offices demand, that the manufacture of airplane parts made of light metal be resumed in Austria. First he had thought of establishing through his firm a plant of their own but that he had not pursued this thought further because he is of the opinion that this might open a new field of operations just for Berndorf.

Herr Werning asked that all of his comments which, by the way, constituted nothing but his personal opinion, be treated as strictly confidential, which we agreed to do and, in turn, the same stipulation for ourselves.

We now explained that for years we had had been interested in acquiring Berndorf but that all attempts had failed because of transfer difficulties. The annexation of Austria, however, had given a new aspect to our wish and that we already had been assured by highest authorities that we would be accorded priority as regards the acquisition of Berndorf. We pointed out to Herr Werning that we had an agreement with another metal works in Germany (whose name we did not wish to divulge to him at present); that we had promised that firm a participation in the acquisition of Berndorf, but that only a very small participation was considered. Nevertheless, however, we had to keep our word. Apart from that, however, we think it quite possible to arrange...
Herr Werning now proceeded to explain his ideas in more detail; the gist of them is about the following: His firm would be prepared to transfer accumulation of experimental and operational data of production of light metals, this from the raw product to the finished product — against compensation, of course. On the other hand, his firm would like to protect itself against seeing Berndorf develop into an undesirable competitor. Therefore it was necessary from the very beginning to provide for a quota system in light metals products. His firm attaches great importance to negotiate amicably with us (Krupp) on all these questions and that in so doing it will not be mean. They had spent extraordinarily high amounts for developing their light metal experiences yet for the transfer of these to Berndorf he would ask a modest sum only. Also as regards the above mentioned quota system he would meet Berndorf more than halfway (he mentioned 15% in the course of conversation). He also wanted to promise that his firm would be ready to transfer to Berndorf relevant future patents against a moderate compensation so as to make it fully possible for Berndorf to engage in the manufacture of light metal aviation articles.

As an equivalent for the transfer of these non-material values Herr Werning proposed — for the present this would not be binding, of course — a scheme according to which his firm would obtain 25% of the entire stock capital of Berndorf at a price reduced to half (the rate of 25% was proposed so as to preserve the control privilege (Schachtelprivileg) intact). Half of that participation was to be the compensation for the transfer of the above mentioned non-material values, while his firm would pay for the other half in cash. Expressed in figures this would then mean approximately the following:

Total capital of Berndorf 9 million shilling
(according to the present rate of exchange) 6,000,000 RM
of this 25% 1,500,000 RM
so that about 750,000.-- RM
would be the share of the accumulation of experimental and operational data, while the balance of RM 750,000.-- would be paid in cash.
The prerequisite for this, of course, was that the stock would be acquired at par rate. Otherwise a proportionate increase of amounts would of course apply.

We merely took note of these proposals of Herr Werning and refrained from comments while we did so, however, that his proposals strike us as interesting indeed. That in such manner an entirely new field of manufacture would open up for Berndorf and that it was necessary to examine whether under prevailing conditions this is possible.

Herr Werning also reported that for a number of years his firm has been trying to acquire its own supply of aluminum. It is known that the establishment of new aluminum plants in Germany is not permitted, as a result of which his firm had to purchase crude aluminum from a third firm. His firm intended now to try with all the means at their disposal to break through this restriction and to establish an aluminum nucleus of its own in Austria. Herr Werning was of the opinion that should this plan materialize, Berndorf would be able also to participate in this to an adequate quota, thereby to obtain for itself a certain aluminum basis of its own. He asked us to consider this as a particularly confidential point.

Herr Werning is of the opinion that quick action is needed in this matter. That there is reason to fear that government agencies which, as mentioned in the beginning, wish to have light metal manufacture for Austria, might take other steps and that we must anticipate this. He is convinced that government agencies will refrain from all other measures should he be able to report an agreement between his firm and Krupp. So, in turn, set forth that the first question to be clarified would probably be that of participation and that his ideas could be pursued further after this point had been clarified. Herr Werning once again asked to speed matters up as much as possible.

A question not easily to solve will be that of personnel. Were Berndorf really to take up light metal production then a Betriebsfuhrer would have to be appointed who is thoroughly familiar with that special field. Herr Werning repeatedly offered to assist Berndorf with his personal advice should we be brought together by an agreement and that, possibly, he might even train someone in his own firm. Mentioned casually the idea that after the annexation of Austria...
he even had thought in passing of offering his services for the management of Berndorf, all the more so as he is familiar with conditions by reason of his former activity. He had dropped that idea again, however, because he is indispensable at his present post.

But if we should come to an amicable understanding, he would be glad to make his personal advice available.

If we so desired he would do some thinking on whom he might recommend as Betriebsfuehrer for the new manufacturing establishment.

Herr Werning asked Professor Gocrens to pay a visit to the plants of his firm with Dr. Claus von Bohlen. The total personnel strength of his firm is approximately 7,000 men and they own three plants, one of them in Dueron, one at Borsigwalde near Berlin (Tittensau), and the third one in Taron (Mecklenburg). The latter he referred to as being particularly interesting. He would be only too glad to make arrangements to demonstrate to us the manufacturing methods of his firm right on the premises. Professor Gocrens accepted that offer with thanks.

The meeting wound up with both parties agreeing to study further aspects of the matter. Herr Werning asked us to give some thought to the matter whether we could not eliminate the other metal firm - mentioned in the beginning - in regard to which we had committed ourselves. In his opinion it would be preferable to have participation in Berndorf restricted to us and his firm. Because of the very fact that his firm proposed to contribute all of its experimental and operational data - it would not welcome having also another German firm of the metal industry as co-shareholder. We promised to study that question.

11 April 1938

signed: signature (illegible)

"A CERTIFIED TRUE COPY"
I, Gerta KANNOVA, No. 20151, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the Document No. NI-774.

Gerta KANNOVA,
No. 20151.
Enclosed I beg to submit a memorandum on the conference with Director WERNIG, Duernener Metallwerke A.G.

Besides Basse & Selke and the Dueronor Metallwerke A.G., a third interested party, namely the Huerttembergische Metallwarenfabrik has now also approached us. The Generaldirector of this firm, Dr. DEBAOH, enquired in a letter of the 8th inst., addressed to me, about conditions for participation and specially wanted to know to what extent Krupp-Bassen had interests in Berndorf. He also wants me to tell him what our attitude would be in case the Huerttembergische Metallwarenfabrik participated in Berndorf.- To begin with I want to deal with this matter in a dilatory manner.- On the one hand I am doubtful about giving the Huerttembergische Metallwarenfabrik a full description of the conditions before we have clarified the Berndorf situation. On the other hand, the firm has for many years been on friendly business terms with the Huerttembergische Metallwarenfabrik, which might possibly suffer by our negative attitude. If one wanted to adopt the undoubtedly very remarkable suggestions of the Duernener Metallwerke A.G., one would probably have to comply with the wish of the Dueronor Metallwerke A.G. to exclude other German metal firms from participation. For that reason the enquiry of the Huerttembergische Metallwarenfabrik about participation can hardly be dealt with before the preliminary questions have been clarified.

In connection with the contents of my memorandum I again want to emphasize the fact that in the opinion of Herr WERNING it is necessary to speed up matters as, in his opinion, the military authorities are pressing for a speedy settlement of the question of establishing a factory for light metal goods.

12 April 1938

(signature: ...) Joeden

CERTIFICATE OF TRANSLATION

December 3, 1947

I, Annette Jacobsohn, 20146, hereby certify that I am a duly appointed translator for the English and German languages and that the above is a true and correct translation of the document No MIK-7311.

Annette Jacobsohn
No. 20146
Dr. OLSCHER  
Member of the Vorstand  
of the  
Vereinigten Industrie-Unternehmungen AG  
and the  
Reichs-Kredit-Gesellschaft AG.  
Ministerialdirektor on the reserve list (z.D.)

To: Director HELLER  
Österreichische Greditanstalt-  
Wiener Bankverein

Vienna I  
Schottenegasse 1

(handwritten marginal note:)  
Please return.

Dr. FRIEDL  
Dr. FRIETSCHER  
Dr. FRIENZL  
Dr. FREIFFER

Dr. FRIEDL  
Dr. FRIETSCHER  
Dr. FRIENZL  
Dr. FREIFFER

To: Director HELLER  
Österreichische Greditanstalt-  
Wiener Bankverein

Vienna I  
Schottenegasse 1

(handwritten marginal note:)  
Please return.

Dear Herr HELLER,

I already told you in Vienna that State Secretary  
KRPEFER had informed me that Generalleutnant GÖRING had promised  
Herr KRUPP von BOhlen und Halbach that the shares of the Lernstefser  
Metallwarenfabrik Arthur KAUF AG were to be sold only to him. I  
suppose that it was perhaps assumed that they were kept at the  
"Industriekredit". I thereupon inform Herr KEPFER that the sale  
of the shares could not only occur in accordance with economic  
principles, i.e., that an adequate price had to be paid in consideration  
of the prospects of improvement based on the expansion of the Austrian  
economy.

Today Dr. FREIFFER, member of the Vorstand of KRUF-Essen, visited  
me in connection with this matter. I told him that you were informed  
of the fact that only a sale to KRUF-Essen was to be considered, and  
that it had to be assumed that the Greditanstalt as to the price. In my opinion the latest price from  
11 March 1936 (111,20% is of course out of the question. Herr LOGIER  
fully understands this opinion and will contact you within the next few  
days with the request first to inform him or another representative  
(page 2 of original)  
of KRUF's as to the situation of Arthur a UFP, and secondly to  
arrange for the Fried. KRUF AG to get an insight into the Arthur  
KRUF AG in the next. Fried. KRUF AG will then make you an offer.  
In my opinion Fried. KRUF AG is definitely in a position to pay a  
favorable price for Lernstefser.
In case you cannot come to an understanding with Fried. Kauff mg. I am quite ready to act as mediator.

Heil Hitler!

Very truly yours

(signature:) OLCHER

CERTIFICATE OF TRANSLATION

3 December 1947

I, ANNETTE JACOBSCHN, TO No. 20146, hereby certify that I am a duly appointed translator for the English and German languages and that the above is a true and correct translation of document No. NIX-11183.

ANETTE JACOBSCHN
ETO No. 20146
Vienna, 4 May 1946

To the Bundesskanzleramt - Foreign Affairs, Attention of: Herr Ministerialrat Dr. Bluchdorn, Ballhausplatz 2.

Re: - Berndorfer Metallwarenfabrik Arthur Krupp

We beg to refer to your telephone enquiry and to inform you herewith, that Herr Krupp von Bohlen und Halbach had already, prior to the occupation of Austria by German troops, endeavored to gain the Berndorf works for his family.

From memoranda we were able to ascertain that particular stress was placed upon a proposal made to us in this direction particularly in the middle of 1936. The Creditanstalt Bankverein, however, was able, by clever evasions, to postpone a transfer of the Berndorf Metallwarenfabrik Arthur Krupp AG until spring 1938. From the attached excerpt, certified by a notary, of a letter of the member of the Vorstand of the Vereinigte Industrie Unternehmen Aktiengesellschaft Berlin of 4 May 1938 to the member of the Vorstand of the Creditanstalt Bankverein Herr Baurat o.H. Erich Heller, it has been documentarily ascertained, that Secretary of State Koppler worked on Goering's instructions on the sale of the Berndorf shares owned by the Creditanstalt and that Goering had made a promise along those lines to Herr Krupp von Bohlen und Halbach without consulting the Creditanstalt, from which, moreover, it may be gathered that, at the time, several German parties expressed their interest in the shares owned by the Creditanstalt and that authoritative members of the Reich Government exerted their influence towards the Creditanstalt, however, was clever evasions, to postpone a transfer of the share property, no matter what the circumstances, from Austrian to German hands. In this the Creditanstalt was not even given an opportunity to select its own partner.
As far as the negotiations which finally forced the Creditanstalt to hand over the block of shares are concerned, it must be said that these dragged out till the middle of July 1938, whereby the negotiators from Essen let themselves be drawn into narrow-minded haggling concerning the various items - Even though the Creditanstalt was able, in the end, to obtain the correct intrinsic value of the shares, it must be added that 1) The Creditanstalt had to hand over fixed interest securities for the replacement of which they had, during the years 1933/34, paid out about 40 million Goldschillings and the Creditanstalt, through the compulsory sale had lost any chance ever to make good a part of this loss from future income;

2) the Creditanstalt could exchange only 2/3 of the value in Goldschillings of the Borndorf shares, as evaluated by calculations into Reichsmark, which was equivalent to an effective loss of one third. Already in 1938 it was clear to every clear thinking person that in the event of a continuation of the peacetime economy in Germany and also without the advent of war the buying power of the Reichsmark was under no circumstances to be estimated higher than that of the Austrian Schilling.

We remain with sincere respect
Creditanstalt Bankverein
Maller e.h. Dr. Klonz e.h.

Enclosure.

(page 3 of original)

Herr Director Heller
Oesterreichische Creditanstalt-Wien Bankverein

Schottengasse 1

Dear Herr Heller,

I had already told you in Vienna that Secretary of State Herr Koppler had informed me that Field Marshal Goering had promised Herr Krupp von Bohlen und Halbach that the shares of the Borndorfer Metallwarenfabrik Arthur Krupp AG should be sold only to him.

(Signed): Yours sincerely Olscher e.h.
I, John FOSBERRY, No. 20179, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of Document No. NIK-5986.

John FOSBERRY,
No. 20179.
TRANSLATION OF DOCUMENT No: MIF-10505
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Report

on the results of the discussion on the Balance Sheet of the Berndorfer Metallwarenfabrik Arthur Krupp A.G., Berndorf, held from 14 to 17 May 1939.

It should be pointed out beforehand that the conversion of the Schilling to Reichsmark is going to have a decisive effect both on the balance sheet and on the future profit account. An amount of 40 million Schilling on the balance sheet represents converted at the old rate of exchange of the Schilling 20.7 mill. RM, and converted at the new rate approx. 27.4 mill. RM. All Schilling debts therefore show an increase in value. The capital is accordingly diluted. On the debit side the book values of the entire working assets are also automatically increased by 7 mill. in order to balance these revaluations. Insofar as these assets contained reserves, these are being automatically dissolved; insofar as they did not contain reserves or if they have an international price, corresponding gaps will occur in the balance sheet which will have to be written off.

The following can be said in detail:

I. Assets

A. Investments

1) Real Estate

The real estate has, seen from an average point of view, been carefully valued. The average rate may be high in respect of the land used for agricultural purposes, but on the contrary low for the factory- and housing plots. Seen from an average point of view, nothing can be said against the valuation of this rate.

2) Buildings

Apart from the building in Prague which is, in my opinion, booked at too high a value as it does not bring in any return, this section can also be regarded as valued carefully. Besides the factory buildings, the firm owns 186 plots with dwelling houses and some other buildings. It should be taken into consideration, however, that for many years not much has been done in the...
way of repair to these buildings. Both the administration buildings and the workers settlements need, in my opinion, a thorough overhaul. This appears more necessary since also the Trustee of Labor has quite recently examined the housing conditions at Berndorf and has made considerable objection. This expenditure might, if Krupp-Essen participates in the firm, be considerable, as the Berndorf settlements would as far as quality is concerned have to be adapted more or less to the colonies here. As this expenditure would mainly involve repairs which would not increase the value, the expenditure will absorb any reserves which this section might contain.

3) Machines ........................................... 2,820,000 Sch.

Valuation of this section might be very difficult, as Berndorf does not have a register of its machines. In my opinion, on the part of the vendor the following proposition could be made as regards the highest basis for discussion:

Valuation of the machines at purchase price less normal depreciation for wear and tear amounting to 10% p.a. All machines which are more than 10 years old, are to be rated at scrap value.

This valuation would be very high, however, as a machine which has been in the factory one year, can never be sold as a single machine at the purchase price, less 10%, but would demand considerably greater depreciation. The total increase up to and including 1923 in addition to the investments charged to the account "Operation" amounts to ........................................... 7,628,000 Sch.

Of this amount ........................................... 3,528,000 Sch. had to be written off for current depreciations.

Therefore the maximum value of the machines acquired in the past few years amounted to ........................................... 4,100,000 Sch.

To this would have to be added the scrap value of the old equipment (estimated) ........................................... 500,000 Sch.

Total ........................................... 4,600,000 Sch.

This is in my opinion the maximum value which can be asked at all. The following facts should, however, be taken into consideration at the valuation:

a) A number of investments of the past 10 years have in the meantime been re-constructed again or have to be re-constructed. Insofar as they have been re-constructed they appear twice on the statement.
TRANSLATION OF DOCUMENT No. NIK-10305
CONTINUED

submitted. An enquiry as to what sums are involved, is in practice impossible on account of the time and trouble it would take.

b) Numerous machines were acquired abroad. Those will through the conversion of their book value get a higher value than their original purchase price and higher than the price at which they could be acquired again at present.

Example: A machine has been acquired in Germany the previous year for RM 100,000. It ought therefore according to the example before us after deducting 10% for depreciation for one year, be valued at RM 90,000. This machine would according to the above proposal be valued at approx. 200,000 Sch. After deducting the 10%, a value of 180,000 Sch remains, which when converting them into Reichsmark would make RM 120,000. In spite of the depreciation this machine would be valued at a sum which still exceeds its purchasing price. From all machines acquired abroad the revalorization value must therefore first be deducted, as otherwise the machines would be taken over at rates which exceed the price at which they could be acquired again.

Expansion Program. The expansion of the works is not yet completed. Without taking into consideration the orders from the authorities that may be expected by reason of the opinion of Herr Ruzika, a total expenditure of RM 2,500,000 will still have to be incurred. In respect of the expected instructions of the authorities a further RM 4,500,000 is to be invested.

4) Estate Merkenstein 2,702,000 Sch. It is hardly possible to value this complex of 6,600 Hectares, as no estate of any considerable size has been sold recently in that district. The book value carries at present interest at the rate of 2.1%. An agreement exists between the Creditanstalt and the firm, according to which the Creditanstalt is entitled at any time to take over the estate at the momentary value; or to have it acquired by a third party. In view of the Decree on the Prohibition of Price Increases, the estate can consequently in my opinion only be put down at this value at the most.
On the other hand, it may be assumed that the actual value is approximately the same as the book value.

All the above objects are encumbered with a Swiss mortgage of 8 million Swiss Francs (7 million for the capital and 1 million for interest, etc.) in favor of the Schweizerische Discontbank, Head Office Zuerich, which is now in liquidation.

B) Participations

The participations Lucerne and Milano contain certain latent reserves. As their capital is however in currency, part of these reserves have been automatically dissolved by the conversion. So far there have been no profits and therefore no interest has been returned on the capital. Berndorf itself obtains a profit of approx. 2% on the goods sold to these firms. In the case of foreign sales companies which do not yield a profit abroad, the capital can only be valued at par if it contains considerable reserves which are at least large enough to cover the cost of selling out, liquidation and final expenses in the event of the company having to be wound up for political reasons. According to investigations these reserves should exist, so that even after the conversion no objections can be raised against the book value.

Klinkosch has during the past year suffered a loss of 100,000 Sch, which equals 50% of the capital. Production is to be stopped and the workers transferred to Berndorf. In view of the continuous losses and the cost of removing the workers, this participation must be written off in full.

Achenrain will probably be taken out of the Company by the Bank at book value, so that nothing need be said about this participation.

C) Floating Assets

1) Stocks

In the metal value of the stocks a latent reserve sum of 500,000 Sch has so far existed. Such reserves are necessary for all stocks which have an international market value which is influenced by speculation, in order that speculative fluctuations in price will not immediately necessitate depreciations. On account of the revaluation of the Schilling a book loss of approx. 2,500,000 Sch has occurred on the metal stocks. This loss cannot be compensated by the above reserves as the latter are required for the price fluctuations. The loss will rather have to be deducted from the assets in full.
The semi-finished and finished articles are organised in classes and have been booked with various deductions. Insofar as no deductions for them exist, they are listed as liabilities under the corresponding value adjustments. The estimate is therefore correctly made.

Page 7 of the original

2) Debtors... 2,216,000 Sch.

All currency-debtors suffer from the revalorization loss. As the Reichsbank has, however, taken over the debt at the old rate of exchange, this loss in currency has been automatically set aside. Apparently they are otherwise no considerable risks in the debtors. Should the Bank be prepared to guarantee the payment of the debt, a special sum as revalorisation reserve would not be necessary.

3) Banks... 1,192,000 Sch.

It is not a question of actual Bank assets, but mostly of clearing debts the majority of which has however been paid in the meantime.

4) Cash, Bills of Exchange, Securities... 288,000 Sch.

D) Sureties... 1,630,000 Sch.

This actually concerns guarantees of delivery and performance in which no risks appear to be involved. The Bank would take over the sureties for Achenrain together with the participation.

II. Liabilities

A. Capital and Surplus

1) Share Capital... 2,000,000 Sch.

On acquisition at par RM 4,500,000 would have to be expended up to now for the entire capital; at present, on the contrary, RM 6,000,000.-.

Page 8 of the original

2) Reserve Fund... 1,093,000 Sch.

3) Free Other Reserves... 2,034,000 Sch.

On these reserves there still is a tax liability of approx. 100,000 Sch,
The profit is increased by approx. 1 Mill. Sch. in respect of actual investments which were charged to "operations"; on the other hand it would have to be reduced by 60,000 Sch in respect of internal interest which is debited to Achernrain and the payment of which is not certain, moreover, it would have to be reduced by the normal depreciations for wear and tear which I should like to estimate at 1,500,000 Sch for buildings and machines together, whilst the depreciations have up to now only amounted to approx. 300,000 Sch per annum. After deducting the extraordinary takings (such as compensation for currency losses in respect of previous years) the following profits result:

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit</th>
<th>Actual Investments</th>
<th>Gross Profits</th>
<th>Less Additional Depreciations</th>
<th>Less Actual Currency Losses (after deduction of clearing payments)</th>
<th>Net Profits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1936</td>
<td>1,385,000</td>
<td>600,000</td>
<td>1,985,000</td>
<td>1,000,000</td>
<td>735,000 Interest Achenrain</td>
<td>250,000</td>
</tr>
<tr>
<td>1937</td>
<td>2,626,000</td>
<td>1,000,000</td>
<td>3,626,000</td>
<td>1,200,000</td>
<td>80,000</td>
<td>2,346,000</td>
</tr>
</tbody>
</table>
Accordingly, a real profit was realized for the first time last year. The partial enlargement of the plant, which took place in the meantime, and a considerably increased turnover are the reasons for these profits.

B. Value Adjustments, etc.

1.) Earmarked reserves Schilling . . . . . . . . . . 1,203,000,—

These reserves must be taken into account to arrive at a correct evaluation. It is open to question whether the revenue authorities will recognize the full amount of these reserves. Therefore, we should assume, as a precaution, that tax debts to the amount of 100 to 200,000 Sch are included in this fund.

2.) Devalorization Profits not Realized (1,586,000 Sch 241,000 Sch)

These exchange profits originated in the Swiss credit, described in the following, on the occasion of the devalorization of the Swiss franc. According to Austrian law taxes should have been paid on this profit already at the time the Swiss franc had been devalorized. This was done with part of the profit. However, as described in the following, taxes have not yet been paid on the other part. According to the legal opinion prevailing in Germany proper these devalorization profits as long as they have not yet been realized, are held to be neither profits nor capital reserves but a real liability. Only to the extent as they are being realized may these profits be transferred to the reserve fund.
C. Long Term Obligations.

1) Swiss Franc Credit.

As already mentioned the entire holdings are burdened with a mortgage equal in value to the above amount in Schillings. The Schweizer Diskont-Bank, which has the leading position in the syndicate, participates with Sw.Frs. 2,760,000 = 3,400,000 Sch in this syndicate credit and the Creditanstalt with Sw.Frs. 3,030,000 = 3,760,000 Sch. The above mentioned, not yet realized devalorization profit arose on the occasion of the devalorization of the Swiss franc. According to terms of the contract, negotiations involving this credit must be conducted with the Swiss bank. As stipulated in the contract the credit must be repaid in effective Swiss francs. The credit bears interest at 3.42% per annum. Contrary to the above stipulations the Creditanstalt, on the occasion of the devalorization, had obtained the firm's consent that the entire devalorization profit falling to the share of the Creditanstalt should be transferred to it after the Swiss bank had been paid off. In addition the Creditanstalt had obtained the consent that the rate of interest on this credit should be increased up to 2% above the prevailing maximum discount rate of 7% per annum in case the company makes a profit. No taxes have been paid so far on this part of the credit. As the Creditanstalt did not pay any taxes either, a tax debt of 500,000,- Sch. has accrued on it.

I should like to state my misgivings against the legality of this agreement as it is, in my opinion, contrary to the terms of the contract made with the firm (which stipulate effective francs and not gold francs) and also contrary to the syndicate contract made with the Swiss Bank. In view of the fact that the banks have formed a syndicate I am of the opinion that accruing profits should be pro-rated. This applies to the exchange profit as well as to the increased rate of interest. Therefore, we rather have some misgivings about this contract for reasons of monetary policies. Finally, I should like to refer to the fact that, in my opinion, this contract of the principal shareholder with the company is likely to be contrary to the regulations of the German corporation law.

Furthermore, the banks have reserved to themselves the right to convert 50% of the credit into shares in which case a premium up to 50% may accrue to them. Thus, they would be in the position to participate in the company's reserves to this extent. At the present state of the loan this would mean, reduced to figures, a depreciation in the value of the shares of approx. 15 to 20%.

- 80 -
On the occasion of the revalorization of the schilling there again accrued an exchange profit, which, presumably, will be subject to the German fiscal regulations, at least at the time this profit will be realized. According to these regulations, 75% of the profit thus realized must be transferred beforehand to the Reich and the remaining 25% must be included in the profit and loss statement subject to normal taxation, leaving an exchange profit of 10 to 15% of the amount originating from the revalorization.

D. Short Term Obligations.

1.) Accounts Payable ........................................... 6,432,000 Sch.
   This concerns payments on account and liabilities on goods to be paid in the future, mostly in Reichsmark. Only a small amount is due to foreign debts.

2.) Banks .................................................... 6,590,000 Sch.
   This item represents several current accounts of the Creditanstalt. A major part of these credits were given for the purpose of financing clearing debts.

   It should be mentioned in this connection, that the company has a number of liabilities owing to pensions, the current value of which is approximately 200 to 300,000 Sch. They have not been listed among the liabilities. In addition, the company owes current taxes to the amount of approximately 600,000 Sch., namely 50,000 Sch. on the devalorization profit, on which the taxes have not been paid so far, and 300,000 Sch. on taxable reserves on which taxes also have not been paid.

Recapitulation:

   Capital reserves ........................................... 15,354,000 Sch.

   To be deducted:

   1.) Stock exchange losses on metals ........................................... 2,500,000 Sch.

   2.) Accrued but not realized exchange profits ........................................... 1,035,000 Sch.

   3.) The worthless Klinkeschholdings ........................................... 200,000 Sch.

   4.) Taxes due ........................................... 300,000 Sch.

   5.) Pensions due ........................................... 200,000 Sch.

   10,619,000 Sch.
The total of the capital sum would change if another value should be placed on the item "machinery". I should like to state expressly that exchange profits, not yet realized, have not been taken into account. In regard to the evaluation of these profits there exists a fundamental difference between the taxation policies of Austria and those in Germany proper.

It should be mentioned in this connection that the profit and loss statement of the current year is debited with a loss of approximately R 200,000, incurred by the purchase of boilers which we do not intend to install but which will be sold again.

(signed) Schroeder.

20 May 1936.

CERTIFICATE OF TRANSLATION

I, G. Lauener, TD 20 123, hereby certify that I am a duly appointed translator for the German and English languages and that the above is a true and correct translation of the document MK-10605.

Nuremberg, 24 October 1947.

G. Lauener,
TD 20 123.
on the conference at Berndorf on 16 May 1938.

Present:
Herr Klaus von BOHLEN-HALBACH
Herr Johannes SCHROEDER, Director of the financial Department of the Krupp firm, Essen
Engineer Rusieke of the Krupp-Grusen-Plant in Magdeburg
Prokurist Rudolf JOHN for the Berndorf Metallwarenfabrik, Arthur Krupp ...G.
Prokurist Robert GLATZL for the Oesterreichische Creditanstalt-Genossenschaft

Before going into details, I should like to begin with a few general remarks.

The discussions with the gentlemen of the Krupp firm in Essen took place in a particularly friendly atmosphere and I took great pains to refute the numerous objections, on which I shall report later, by purely well founded arguments and by pointing out that it is my task merely to protect the interests of my company.

Hossinwerk Johenrain ...G.: This point was first dealt with by the Essen gentlemen. They told me that not only was BERNDORF's claim of approximately 1 million Shillings lost, which I could not deny, the stock had become valueless, which I could not deny either, and finally that the continuation or the liquidation of the enterprise - or whichever way may be chosen - would involve considerable sacrifices. Since in this connection the gentlemen put forward completely preposterous claims for allowances, I was obliged to state that my company, if sale of the Berndorf plant to the Krupp firm of Essen should materialise, would simply take out the account Johenrain from the total balance of Berndorf plant or alternatively, leave the book values unchanged and guarantee the winding up to the buying group. The gentlemen agreed to this.

According the figures, which I shall quote later, may I point out, that these are mostly round sums and that at the present stage of the negotiations, I would prefer not to go into details, since I arranged with Director SCHROEDER that he will make a detailed written report
on the strength of his examinations, of which we will receive a copy. As soon as this report as well as engineer Rusicker's technical expert opinion is in my hands, I shall deal with the individual points more in detail.

However, I should like to emphasize at this point that I got the impression that a sale of our Berndorf stock to the Krupp firm of Essen would be almost out of the question since in the course of our conversation, which lasted almost 10 hours, I was more and more convinced that the gentlemen seem to imagine they can acquire the liability of the Creditanstalt at an exceptionally low price; neither do they seem to be willing to pay even this low price in cash; for, they discussed with me the

the expenditures of the local bank credits and when I informed them that the present rate for combine credits is 6% the gentlemen declared that they would only consider credits with 5% interest, whereupon I replied that to my knowledge credits within the Reich at present cost about 6%.

As to the Herrschaf Markenstein the gentlemen observed, that they would like to acquire also this, however, not this year, but only in a few years time; for this they demand an option from the Creditanstalt. I stated that, in my opinion, the president of the Creditanstalt will not grant an option on such property for several years, all the more, since within such a period conditions may change, whereupon the gentlemen asked me whether I did not know that a ceiling-price regulation exists in the Reich and that for this reason the sale of the Herrschaf Markenstein by the Creditanstalt could only take place on the basis of the book value ruling at the time. Of course, the gentlemen of Essen would be prepared to grant us a compensation of 5% per year of the book value that is to say - for every year the option is not taken up, by way of interest.

I replied that I could see no way of excluding Markenstein from the Berndorf complex, for the assets and liabilities of the Herrschaf Markenstein are an integral part of the Berndorf balance and thus a part of the Krupp shares; if therefore we now sell our Berndorf stock holdings of course we also sell the Herrschaf Markenstein at the same time.

The discussion regarding debtors showed that Berndorf has no bad or doubtful debts. At first the gentlemen wanted a greater deduction of the debtors; however, when Prokurist JOHNS of Berndorf made a definite declaration, that Berndorf has no bad or doubtful debts, they demanded a deduction of about 2% of the debtors figure. I rejected this demand as completely unjustified, since MR. JOHNS had proved to the gentlemen that more than 90% of the outstanding accounts shown in the balance sheet per 31 December 1937 had been duly settled by yesterday.
the remainder of 10% are all amounts paid by Bankers' transfer
which due to well-known reasons have not yet been paid in Vienna.

In estimating the stocks, the gentlemen took quite an impossible
view. In spite of the rapidly decreasing copper rates, the Borndorf
stocks still today have been valued on a conservative basis. In
these stocks the Borndorf gentlemen estimate existing reserves
of at least 500,000 Schillings. The gentlemen of the Krupp firm in
Essen wished to prove to me that in view of these reserves the
Creditanstalt would need to make a deduction from these stocks of
at least 2,000,000 Schillings; the reasons they put forward for this
were that they wished to have the metal rate of exchange adjusted
to the Berlin quotation, whereupon I told the gentlemen that
our export calculation is based on the fact that we are refunding
the entire loss in exchange rates by the Zusatzausfuhrverstafrung) by the Reich paying us a premium up to 43% of export
currencies, so that losses on copper are not incurred by Borndorf. Since we know from experience that the stocks are
turned-over 4 times a year, I asked the gentlemen how they would
prove to me the exchange loss on the stocks if the negotiations
had taken place in 3 months time instead of now.

In this connection the following will be of some interest:
During the afternoon the gentlemen from Essen examined the calcu-
lations for all the major export relations; in doing so they
based costs on the high copper rate of exchange and wanted to
prove to me that export business showed no profits, whereupon I
could not help asking Mr. Klaus von BOHLEN-HALBBRH why the
Vienna quotation was taken as a basis for the export calculation
and the Berlin quotation for the valuation of the stocks. By this
question I made it absolutely clear that the Creditanstalt was
unable to admit such an arbitrary deduction.

In this connection I also pointed out that, according to my know-
lledge, there had always been some talk in the preliminary discussions
that the Krupp firm in Essen will not only pay a price for the holding
which is in keeping with the present day value and the profits
position, but also in amount for the good will and last but not least
a compensation in view of the fact that we have to sell Borndorf
at the moment of a starting boom. I also requested the gentlemen
to remember that in these negotiations Baurat HEIN and I bear a
considerable responsibility and that being aware of this responsi-
bility we are not in a position

to make concessions, which have no reasonable foundation. The tech-
nical export, engineer Ruster, told me that it seemed quite im-
possible to him to include Krupp's future possibilities in the form
of an amount in the purchase price, yet to be agreed upon. The Berndorf plant, especially the foundry, are working to full capacity so that no expansion of the business could be expected in view of the present condition of the plant and consequently Krupp's future opportunities could only be equal to those of 1937 and an additional payment in this connection would therefore be out of the question.

It would lead too far to prove here that these considerations are completely wrong. According to estimates by the Berndorf management, the foundry was working in 1937 only about 70% of its capacity, the outlay and hollow works works approximately 50% and the apparatus construction plant barely 30% of their capacity.

Mr. Klaus van BOHLER-HILGEB stated, that the Creditanstalt had demanded in the event of a sale that the future bank credit of the Berndorf works with the Creditanstalt would have to be made use of. Hard he would be prepared to make a concession; his idea being that the Berndorf plant would pay the maximum rate of interest permitted by the Reich for the German Kommersbanken without additional fees, making this credit cost 6% interest per annum at most, he might also perhaps be prepared to contract those terms for a specified period. I replied that we would consider a contract of at least 10 years, whereupon the gentlemen replied they would have to think it over.

Many others the question the pension obligations of Berndorf was also discussed. According to the books of the firm 9 former employees are drawing pensions amounting to RM 2,830 per month, that is 34,000 marks per annum. I mentioned that liabilities of this kind could certainly not be considered as important for such an extensive plant as Berndorf, and that I could sec no point in arguing this question separately, since the pensioners were 65 years of age on the average. The gentleman from Essen, however, reckoned with the help of the Spitaler tables that the cash value of these pensions amounts to at least 200,000 marks and on the strength of this demanded an all-over payment amounting to 200,000 marks in the event of the transaction materializing.

The gentlemen expressed their views about the clearing of the exchange profits of Berndorf in a manner as yet completely unknown to me. In 1936 there was an exchange profit of roughly 1,600,000 Schillings as a result of the devaluation of the Swiss franc; on the other hand Berndorf had exchange losses of approximately 500,000 Schillings. In 1937 based on the legislation at that time the Berndorf plant received a compensation for these exchange losses of approximately 50% from national funds. The Director of the Finance Department of the Krupp firm in Essen went so far as to state: The exchange losses of 1935, of course, affect the profit and loss account.

- 4 -
I mentioned that these exchange losses - if affecting the profit-loss account - can only be charged to extraordinary expenditure, as they represent losses which do not recur regularly, but, on the other hand, cannot be charged to extraordinary expenditure in full but only approximately 50%, since the remainder of 50% was refunded by the State. However, Director SCHROEDER could not be dissuaded from the view that the profit-loss account of 1936 was affected by these exchange losses, for this was the point of view taken by the German revenue authorities.

Now I raised the question what was the position with the exchange profits of 1,600,000 Swiss shillings, whereupon I was told to my great surprise that this exchange profit should appear in the balance simply as a suspense entry, for "it has not been realized". The gentlemen's attitude was that this exchange profit could only then be realized after the Swiss loan had been completely paid, in short, they will not acknowledge the 1,600,000 Swiss shillings as a free and recoverable tax paid reserve. The question of a debtor's letter was also discussed; I refrained from expressing any opinion in this matter.

Prokurist JORJ is going to draw up a list of taxed reserves and untaxed reserves; I have the feeling that the gentlemen willflatly deny the existence of these reserves.

Regarding Inastetten, we shall receive an expert opinion in the near future; engineer Rusicka takes the view that Inastetten is obsolete and of no value. The book value of site, buildings, machinery and workers' dwellings amounts to approximately 500,000 Swiss shillings.

I asked Engineer Rusicka, whether he could tell me how many freight loads with machines were standing in Inastetten, and if it is his view that Inastetten is completely worthless, for, then my firm would perhaps do best to think about transferring the workers from Inastetten to Berndorf and to scrap Inastetten.

There is neither reason for the unfavourable expert opinion on Inastetten; up till now Inastetten was a plant manufacturing tubes and bars of copper and brass and the gentlemen of Essen think of converting Inastetten to aluminum and aluminum alloys. In this case they would need particularly heavy presses with thousands of tons of pressure and these presses do not exist at Inastetten.

The valuation of the Berndorf machines was an important item in the discussions. The former Generaldirektor of the firm, Dr. HAMBURGER, always opposed the setting up of a card-index for the machines; therefore Berndorf has none. The gentlemen from Essen fully exploited this fact during the discussions.

Regarding the Berndorf machines, they could not convince me that these should all be thrown on the scrap heap, therefore they
declared again and again that the machines needed expensive adjustments; when I asked for definite information they stated that the precautionary measures for the prevention of accidents in compliance with the Reich regulations were inadequate, that certain driving bolts must be enclosed by wire and the like.

No notice was taken of the fact, that during the past two years large-scale purchases and improvements were made. The gentlemen, for instance, asserted that, if a machine which had been used in object A and is transferred to object B, then the same was shown a second time as an asset in the books of Krupp of object B, where it has been re-mounted; such arguments are hardly to be taken seriously and cannot be refuted.

I have asked the expert as to the regulations in Germany, in cases where a machine is imported, and had to learn from him, that in this case the purchase price of the machine, including freight, only, costs for assembly and mounting are to be shown as assets. At Krupp, Borndorf, the machines are entered in the books - if at all - with the supplier's invoice-amount; all other expenses were naturally charged yearly after year to general expense account.

After a thorough discussion Mr. Klaus von BOHLEN-HELLSCH gave the following explanation: subject to a thorough examination by his Essen advisers, he imagined, that the Borndorf machines, which were purchased during the past ten years, could be taken over at the original purchase price minus 10% annual amortization; machines, which were written off and were older than ten years, are not paid for.

I pointed out that the electric power stations were older than ten years and certainly represented some value; however he would not admit such an argument.

I believe, in the report which is to be sent from Essen, the gentlemen will make the following proposals in regard to the machines:

<table>
<thead>
<tr>
<th>Description</th>
<th>Austrian</th>
<th>Schillings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase price of machines</td>
<td></td>
<td>7,629,000.00</td>
</tr>
<tr>
<td>Depreciations during the last 10 years</td>
<td>3,529,000.00</td>
<td></td>
</tr>
<tr>
<td>Present book value</td>
<td>4,100,000.00</td>
<td></td>
</tr>
<tr>
<td>Resulting in an excessive-price of the machines</td>
<td>1,668,000.00</td>
<td></td>
</tr>
</tbody>
</table>

I am of opinion that negotiations on this basis are quite out of question, since there is no reason, why the Creditanstalt should sell the Mark to the well-known firm of Fried, Krupp, Essen, for 10 or 20 Groschen.
The gentlemen declared repeatedly that the repair of Berndorf and Instetten would require enormous sums and that the capital at the disposal of Krupp Essen is not unlimited.

In the case of a purchase the following investments are planned:

- Machines for Berndorf: 3,000,000.—
- Heavy presses for Instetten: 3,000,000.—
- Construction of a complete, new clocking plant and a department for light metals at least: 3,000,000.—
- Total: 9,000,000.—

These investments are certainly necessary, this would mean however, that for the major part - at least 8½ million. — a new program of production would have to be introduced at Berndorf.

I explained to the gentlemen that the Creditanstalt knew quite well that during the next few years more or less large scale purchases by Berndorf will become necessary; however, we were also rather optimistic with regard to future business transactions and above all, with regard to the boom in economy, that we did not hesitate to make these investments, since they would show good returns within a very short time; yet, I fail to understand, why, the fact, that important enlargements will have to be made, should be considered as an occasion to pay little or nothing for plants already existing, and which certainly are well equipped.

The question concerning the houses of office workers and factory workers was also discussed. I am not exaggerating when I say, that at least half of the buildings of the town of Berndorf are owned by the Berndorf plants. The gentlemen wanted to see a profit and loss account of the houses. During last year quite a number of repair works, because business returns allowed for it, were carried out on the buildings. The costs of these repairs were charged to the building a account which consequently shows a debit balance of approximately 200,000.- Expenditure on apartment houses at Krupp's was not only necessary but was just indispensable. One must not overlook the fact that the plant employs qualified workers and especially a large staff of engineers and that for these positions - workers from Berndorf are only rarely qualified - but that mostly people exclusively from Vienna are being employed. Considering that the wage is not very high, the management had to keep these people interest in the plant by offering them apartments with gardens and some facilities, or else these qualified workers would have left again. Actually,
this point of view had been adopted by the family Krupp even in these years as far as Barmen was concerned. However, since a certain amount of expenditure is involved in connection with these apartment houses, the representatives from Essen, concluded that a purchase of these houses is quite out of question as they do not bring any profit but only expenses.

From the statement made by the technical expert I quote the following in reference to enlargements of the plant:

Smelting Plant: Some of the furnaces are overloaded, therefore little time is left for attending to their maintenance, otherwise everything is in good condition.

Dressing shop: New sheds, new tracks, new machines.

Triple-ingot rolling mill: A new ingot casting furnace is to be erected as the capacity of the one used so far is too small.

Department for finished products: The rolling mill and the section for finished products are well equipped; the conveyor belt installation is to be overhauled.

The wood gas producers are to be converted for the use of coal fuel, if necessary to be replaced by new ones.

Blanching Plant: Renewal of some.

"Filmband" Plant: Everything is in order. (It should be pointed out that the large shed of the "Filmband" plant was written off entirely and does not appear in the books).

Finishing and small malleable department (Gummi- und Kupferstapfen Abteilung): It is planned to make large improvements; this will involve the reorganization of the machinery and the purchase of new salt-water-bath stoves (Salzbadöfen).

Zinc rolling mill: Is in working order.

Wire plant: The consumption of copper being very restricted in the Reich, it is intended to build a new aluminum-wire plant.

Wire drawing plant: Machines of an older type, but on an average in good order and serviceable.
Laboratory: the Essen people want to overhaul this completely; it is alleged that the transfer conditions for supplies to the German armed forces are especially strict and that the available machinery and apparatuses are inadequate.

Power-station: insofar as negotiations with Krupp Essen are being continued it is to be expected that their representatives will ask for a special reduction of the item Power-station. In Bernau at present the Grillenberg coal is conveyed by cable-car to the coal bunkers and from there passed immediately to the boilers. The price for electric current is approximately 2 to 2½ Groschen per kwh. Generaldirektor Dr. HILBURGER decided last year to have the IG build a new turbine plant as the available sources for electric current were not sufficient and negotiations with Berlin and the municipality of Vienna had broken down over price difficulties. It is present there are negotiations in progress with the municipality of Vienna concerning the supply of electric current and the price situation is said to have improved.

How the people from Essen are of the opinion that the turbine plant including boilers - which the IG will deliver within the near future - are not to start working and I presume they will demand for this item a further reduction of approximately 3,900,000.

I was unable to discuss these questions in detail since I knew too little about the power question at Bernau.

As already mentioned in the beginning I shall give an exact report with the aid of figures as soon as the expert opinions from Essen and Bernau in the near, which have been promised me, the future, are available.

From remarks overheard at lunch I believe that Herr Klaus von BOHLEN-HILBACH is under the impression that he can buy from Credithrift their holdings of Bernau at the nominal stock value, perhaps paying a small premium.

He tried to convince me that for industrial enterprises in the Reich which are paying a dividend of 9 to 10%, today only the nominal stock value is paid, because the prospective buyers are of the opinion that the expenditure for social purposes (taxes, contributions, collections etc.) absorb the major part of the profit.

Herr Klaus von BOHLEN-HILBACH also pointed out to me that because of its proximity to Hirtenberg the Bernau object has suffered a severe devaluation. In future Hirtenberg is to be managed by the GUSTLOFF-Foundation which - as he told me - manages chiefly armament plants which, as is known, bear high profits. These profits, however, are not distributed but are put back into the companies. As a result the GUSTLOFF-Foundation enterprises in the Reich are said to be among the first of the model enterprises and that owing to the extent of their profits, they are in a position to have welfare institutions for their employees of an incredibly high standard.
As Berndorf is in close proximity to Hirtzbarg the gentlemen declared that, for this reason alone, the enterprise would show no profits for years to come.

In view of the course of the discussion as described above, I did not see any reason to commit myself to any particular point, since I had the impression that the firm of Krupp in Essen would like to acquire the plant for a nominal sum but on no account pay its actual value.

yours truly
Robert GLATZL (stamp)

CERTIFICATE OF TRANSLATION

31 October 1947

Sidney L. CITES, No. 20128, Hannah SCHLESINGER, No. 20081, Anette J. COBSON, No. 20146, hereby certify that we are duly appointed translators for the German and English languages and that the above is a true and correct translation of the document No. NIK-10806.
Report to Herr Baurat Ingenieur HELLER

Subject: BERNDORF

According to my telephone talk today with Herr Dozent Dr. SCHMIED, I wish to tell you the following about his request:

Dr. SCHMIED had the opportunity yesterday, when together with Herr President Ingenieur Fritz HILSBURG, to read what attitude the Essen gentlemen are taking after their visit to Berndorf. He requested me to report to you that he considers this account unloyal in the highest degree. He is downright horrified to see how the reporter is attempting to belittle the enormous values in Berndorf. Dr. SCHMIED confirms the full text of my first report. He is firmly convinced that all the investments for maintenance necessary in the next few years, plus all social services, with which he is thoroughly familiar from his stay in the Old Reich, will be earned by Berndorf without the slightest trouble in the next few years, so that no credits are needed for this. He takes a particularly favorable view of Berndorf's future development, as he has repeatedly assured me. He can tell you for instance that he has a safe order for 3,000 tons of small moulds (Kaepfchen) from the Reich, although he has no written confirmation as yet, it should suffice for him to inform you that the Reichsbank today gave instructions for the transfer of 25,000 pound sterling for the first copper purchases under this order. This order alone will keep the Kaepfchenwerk running to full capacity for 6 months. The position regarding minting orders is equally favorable. Regarding apparatus construction Dr. SCHMIED points out that this production stands particularly good chances in the near future, the more so as apparatus construction so far worked with particularly low capacity, and is able to accept large orders with short delivery terms.

During the conversation Herr Dr. SCHMIED mentioned that he had the feeling that Herr Director KRÜLL had unfavorably prejudiced the Essen gentlemen, having reported during the talks, that he saw no prospects of major orders for the near future etc. The Essen gentlemen stated repeatedly that, once Berndorf had become Essen property, they would place orders in Austria and Krupp need no longer worry about lack of work.

Herr Dr. SCHMIED also told me that the last few years had seen really splendid achievements in the way of investments for maintenance in the works, and that he is firmly convinced that these new acquisitions
would prove particularly good assets now in time of boom. Finally he kept reporting that it was unworthy of a firm like Fried. Krupp, Essen, to send out a report of this kind.

Herr Dr. SCHMIED asks you urgently to take a particularly optimistic view of the future development of the plant, as he guarantees for his above statements.

Finally he reported that in the last few days he had had negotiations with the Parish of Hirtenberg, and that this parish had already agreed to provide accommodation for the workers from Borndorf who would live in Hirtenberg, which accommodations would meet all modern requirements. Dr. SCHMIED declared that from the investment angle this would mean a noticeable help for Borndorf.

Finally he stated that regarding the machines bought in recent years, he had convinced himself, that today they could not be replaced in the world market at the former cost price, as the price of machines is said to have greatly increased.

I have requested Herr Dr. SCHMIED at all events, to see to it that the Borndorf financial adviser, Herr Prokurist JOHN, comes to Vienna for tomorrow's discussion, as it is quite possible that the Essen gentlemen bring up subjects, to answer which one needs data which Herr JOHN can give us.

Very truly yours

Robert GLLITZL
Signature

CERTIFICATE OF TRANSLATION

7 November 1947

I, Annette JACOBSOHN, No. 20146, hereby certify that I am a duly appointed translator for the German and English languages and that the above is a true and correct translation of the document No. NIK-11352.

Annette JACOBSOHN,
No. 20146

- 2 -
"END"
Dear Herr von BOHLEN,

Many thanks for your kind letter dated 19th inst. In connection with the Berndorf matter I should like to inform you today about a confidential report passed on to me recently by Herr Dr. SCHAEFFER of the Reichskredit-Gesellschaft. According to this, the entire Austrian negotiations are rendered more difficult at present by the fact that the Austrians, and especially the Viennese, are said to be annoyed about the domineering or menacing attitude adopted by Berlin or the old Reich, and that they, on their part, were adopting a reserved and even negative attitude with regard to many questions, especially pertaining to business and economy, as a result of this vexation. The slogan "Austria for the Austrians" or differently expressed "More Independence for the Austrians" had been successful to a certain degree. That was shown in the case Keppler and is now obvious during many economic negotiations. In the Reichskredit-Gesellschaft they were also experiencing this with regard to the questions on which they were working with the Kreditanstalt. Owing to this, the influence in the Berndorf question which could have been exercised from Berlin by the Viegs (Olascher) had been weakened. Herr Dr. SCHAEFFER added that he was telling me this so that

we should not be surprised if the influence which could have been exerted from here for the purpose of a speedy settlement of the Berndorf business, had grown weaker. Here in Berlin they themselves had probably overestimated the possibilities of influencing the Austrian economic enterprises, at least in comparison with the latest developments.

Although I do not know whether this information is already obsolete owing to the latest negotiations between your son and Dr. Olascher and the Kreditanstalt, there is the possibility that this remark of Herr Dr. SCHAEFFER might still be of interest to you.

Herr SCHROEDER is coming to see me on Sunday of this week anyway, about guiding lines for the balance-sheet, the first draft of which is now ready; on that occasion I shall also arrange for the depreciation and profit figures as from 1 October 1933 to be examined again with view to accretion of reserves, transference to reserve funds, etc.

Yesterday Herr Dr. MEUSCH visited me, and by a fortunate coincidence, at the same time as Herr Professor GOERSES. As he also made a very good impression on Herr GOERSES, we told him according to what you had previously said to me, to arrange matters and also to contact the city of Leipzig.
so that he is also able to take up his work in Essen on 1 October. We have postponed the formal signing of the contract until Herr Dr. EUSCH has had the opportunity of introducing himself to you. He will arrange it so that after your return from Badgastein, approximately 15 July, he can come and present himself to you when summoned by cable.

(page 3 of original)

I very much sympathise with you and wish you a speedy recovery from your tooth inflammation. As far as I personally am concerned, I can fortunately report that the days when I have no temperature in the morning are getting more and more frequent, especially after the nice weather we have been having and I am also beginning to feel myself, that with ample fresh air this disagreeable affair will soon be overcome. I therefore count on being able to resume my work in Essen on 4 July at the earliest or 11 July at the latest. Until then I shall see to it from here that nothing is left undone and that the balance-sheet and loan questions etc. continue to be dealt with.

With best compliments from me and my wife to Frau von BOHLEN and you, as well as best wishes for a continued happy stay in Badgastein,

Yours sincerely,

dictated: LOESER

CERTIFICATE OF TRANSLATION

December 3, 1947

I, Annette Jacobsohn, 20146, hereby certify that I am a duly appointed translator for the English and German languages and that the above is a true and correct translation of the document No HIK-8438.

Annette Jacobsohn
No. 20146

"END"
Pursuant to our oral negotiation we hereby submit to you the following draft agreement:

We sell to you and you buy from us

65,195 shares of the Berndorfer Metallwarenfabrik Arthur Krupp AG, Berndorf,

at a nominal value of 5,120.— each with coupon 1937 attached, on the following terms:

1) The sales price is RM 8,421,000.— (Reichsmark eight million four hundred and twenty thousand), value 30 June 1938; in the event of delay in the payment you will pay us 5 percent interest.

The German stock transfer tax will be borne by you, the Austrian securities transfer tax will be borne by us.

-1-
II) We buy from the Berndorfer Metallwerksfabrik Arthur Krupp AG ("B.M.F."), their holding of 45 percent of the shares of the Messingwerk Achenrain AG as well as the whole of the claims, rights and titles whatever their nature the B.M.F. has against this joint-stock company at a price at which these shares and these claims, titles and outstanding debts have been listed in the books of the B.M.F. as per 30 June 1938, thus reducing the selling price by Rm 105,000.— (Reichsmark one hundred and fifty thousand).

The selling price falls due the same day on which you have to pay the purchase price for the shares which we will sell you according to Point I). In the event of a delay we shall pay you 5 percent interest.

The purpose of the transfer of these shares of the Messingwerk Achenrain AG and of the claims against this AG, is to protect this company in the event of legal action being taken against it and to indemnify this company for all risks and claims with respect to this joint stock company. In the same way, the B.M.F. is to be protected and indemnified by us against any claims arising out of guaranties entered into for Achenrain. We guarantee that between Achenrain and Berndorf no agreements exist, and that Achenrain will not bring forward any claims, titles or outstanding debts resulting from such agreements. They have declared vis-a-vis to us that the B.M.F. is prepared to do what is in its power to secure for the Achenrain workers and employees work in B.M.F.'s own plants and to turn to good account the existing facilities.
III) At the present time there exist, between the B.W.F. and us, agreements according to which we have the right:

a) to acquire the Merkenstein domain, including all stocks as well as all the legal and tangible assets as described in Point IVa of the agreement;

b) to ask for the payment of our whole share of the profit resulting from the devalorization of the Swiss franc with respect to the mortgage loan which the Schweizerische Diskontbank, Zuerich, granted to the B.W.F., and which has been incorporated as a simultaneous lien on the real estate of the B.W.F., especially also according to Point IVa) of the agreement, on the Merkenstein real estate;

c) to demand an increase of the rate of interest from 3½ to 7½ percent on our share of the mortgage loan mentioned sub. b) and

d) to demand that one half of our share in the mortgage loan mentioned sub. b) be converted into shares whereby an agio up to 50 percent of the nominal value may accrue for us.

Further claims of our bank to the B.W.F. - apart from the rights and claims which may result from our current credit transactions - do not exist.

We hereby forego the rights described in Point III c) and d).

What regards of our title according to point III b) we refer to Point IV c. 2) of our agreement.

We shall direct our claims to make the Schweizer Diskontbank forego its right to ask for one half of its slice to be converted into shares.
of the B.F.; we on our part forego this right and bind ourselves to deny our approval to any such conversion.

IV) You guarantee that the B.F. fulfills, with respect to us, the following obligations:

Page 4 of the original

a) The B.F. sells to us, or to a person to be named by us, the Merkenstein domain, consisting of the RS. 120 as listed in the Lower Austrian Agricultural Property Record (Landtafel) and in any other books kept about Merkenstein by the B.F. and the lands and buildings belonging to the Merkenstein real estate, as well as the same at Berndorf, each with its respective tangible assets, with the exception, however, of the smoke-damaged plot of land at the Gußzippf, measuring about 10 to 20 ha, which will be measured, formed into a separate plot of land and will not be sold to us; the selling price of Merkenstein will be reduced by the value of the plot of land thus separated from the whole of the objects to be sold, that is to say, by RS. 335.-- per ha. Should it be shown that the part of the estate which is damaged by smoke is larger, this will make the object of further discussions, and both contracting parties undertake to approach them in an amicable spirit.

The object of the sale is understood as it is, including all legal and tangible assets free from liens, with the exception of a simultaneous mortgage, entered upon the name of the Schweizerische Diskontbank, Zürich, and made out in Swiss francs.
The price for the lands and buildings, according to the books as per 30 June 1938, is about Fr. 1,300,000.— and in the event of delayed payment 5 percent interest will be paid. The exact amount of the selling price will be ascertained by reference to the books. The selling price of the other assets belonging to the Verkenstein estate will be fixed taking into account the liabilities belonging to it and the right and obligations under current agreements, according to the figures shown by the books per 30 June 1933; for the sake of settlement of about Fr. 547,956.— will be provisionally assumed.

The expenses, fees and public taxes attached to the transfer, with the exception of the estate increment tax, which will be charged to the B. E. I., will be charged solely to us or to the purchasers to be named by us.

In the event of the sales agreement about the Verkenstein estate not being approved by the real estate transfer commission (Grundverkehrskommission) you will guarantee that the... gives us a half-share of an eventual profit, resulting from a later sale of this estate, the profit to be ascertained from the figures in the books per 30 June 1938.

b) Should you not be successful in persuading the Schweizerische Diskontbank, Zuerich, to forego its title to the Verkenstein estate with respect to its simultaneous mortgage in Swiss francs you guarantee that we, or another purchaser of the Verkenstein estate, will be protected and indemnified for this mortgage in the case of a foreclosure on the part of the creditor.
The B. . F. has to make the following payments in compensation for
the renunciation of our rights under this agreement:

1) In case the B. . F. should, in any form whatsoever, receive a com-
penstation for the so-called metal losses occasioned through the
Schilling revalorisation, the B. . F. will pay to us 5/3 of 67% of
any and each sum as they reach the B. . F. after deduction of any
taxes, duties and other dues. Should the metal loss be higher than
S 2,500,000 (Schilling two million fivehundredthousand), that propor-
tion of the compensation that pro rata partis is paid for the
additional loss will be left to the B. . F.

2) The B. . F. pays to us 5/3 of 67% of any profits which will result
from the devalorization of the Swiss francs when the mortgage loan
granted by the Schweizerische Dischontbank is paid back; here again
the sum will be paid which remains after the taxes, duties and
other dues have been paid; the profit in question has already been
discounted in your books, it amounts to S l,827,000.

V. Until 30 September 1938 you will name to us any debtors for which
you want to fall back on our guaranty. For debtors which you did not
name in your list in due time, we hereby decline every responsibility.
You will fall back on us for any such debtor only to the extent

as the reserves earmarked for him do not cover the loss. Above and beyond
this, our guaranty will expire in any case if our guaranty has not been
invoked until 30 June 1939. Should you invoke our guaranty on the strength of this point of agreement we have the right to ask of you the cession of the debtor in question so that we may be able to take action against him.

VI) We guarantee that the B.W.F. will do its banking transactions with us, at the usual terms, for a term of ten years as from 30 June 1930. After the expiration of the first five years, the B.W.F. will be entitled to break off its banking connection with us, if the majority holdings of our share has passed or were to pass to another group which it does not like.

...shall, as before, place at the disposal of the B.W.F. banking credits without collateral security. Should we refuse the credit at the usual terms, the B.W.F. is entitled to take up another banking connection before the expiry of the ten years' term.

...without prejudice to the agreement, the B.W.F. is entitled to take long-term loans or loans at a lowered interest rate at other places in case we cannot provide them.

VII) You have declared to us that you know the books of the B.W.F. and how it is working. As, on our part, declare that, apart from the liabilities of the B.W.F. as shown in the books and apart from the obligations resulting from service-relationships no further obligations exist.

VIII) You will, as the case arises, give us any information, as we may require it, and keep us informed of any settlement with respect to all the rights belonging to us.
IX) There were differences of opinion concerning the reconstruction of the ..., these differences are considered to have been completely compounded by the foregoing agreement.

X) As far as no other provision has been made in this agreement, all the costs and dues resulting from this agreement, whatever their nature, will be borne by you by half and the other half by us.

XI) After the receipt of the definite official approval of this agreement we will place at your disposal all of the S.N.F. Administrative Council seats as far as there no conflicting obligations with respect to the Schweizerische Diskontbank.

XII) This agreement has been concluded subject to the official approval provided for by the law for the Protection of the Austrian Economy, Law Gazette for the Land of Austria, No. 82.

This offer will be binding on us until the 20 July 1933.

In case you are in agreement we ask you to send us a return letter of the same contents.

Heil Hitler!
Oesterreichische Creditanstalt
inner bankverein
(two illegible signatures)

CERTIFICATE OF TRANSLATION

I, A. Thrmann 230 20 116, hereby certify that I am a duly appointed translator for the German and English languages and that the above is a true and correct translation of the document No. M1K-10811.

24 October 1947

A. Thrmann
230 20 116

- 6 -
BERNDORFER METALLWARENFABRIK

ARTHUR KRUPP A.G.
(Berndorf near Vienna)

To the
Chairman of the Aufsichtsrat
of the Fried. Krupp Aktiengesellschaft
Herr Krupp von Bohlen und Halbach
B e r n d o r f / R u h r

(handwritten): Herr Looser 12 October 1938
Initial B (R?)

Direction 4 October 1938

BERNDORF INVESTMENTS

We herewith send you a table of, and give the reason for the urgently required investments for the Berndorf Works.

The items mentioned concern installations, machinery and equipment which are necessary for the continued operation of the plant or for putting into operation the new workshops installed last year.

The money needed for the requested installations is distributed as shown on the enclosed payment plan.

In this connection we would like to remark the following as to the financial state of the plants:

On 30 June 1938 (as a whole identical with the present state) the amounts were:

1.) Outstanding short-term debts, drafts and cash in banks........ RM 7 200 000,

2.) Supplies of raw material semi-finished and finished products......................... "10 600 000,--

RM 17 800 000,--

As opposed to this

3.) the current bank debt amounted to approx. ................................. RM 1 000 000

4.) the short-term obligation to contractors etc RM 3 600 000,--

RM 4 600 000,--
so that the ratio of the short-term assets shows a surplus of ................ RM 13,200,000,--

The bank debt was reduced to the above mentioned sum through a credit note amounting to RM 2,200,000 for the Horkenstein Estate and RM 770,000 for the Hohenrain liability. In comparison with the amount of liquid assets the bank debt can be considered as extremely low.

For machinery installations and equipment there are orders still aggregating RM 3,163,000 for which a reserve has not been created. This sum will be due approximately as follows:

By end of 1938  RM 896,000,--
First half of 1939  RM 848,000,--
Second "  "  "  RM 856,000,--
First "  "  1940  RM 563,000,--

RM 3,163,000,--

At a conservative estimate the net profits including depreciation will amount to 1,000,000 RM for the second half of 1938 and 1,000,000 RM for each half of 1939. From this it follows that the current orders can be paid out of the profits to be expected by 31 December 1939 and including depreciation. The profits of the first half of 1938 were mainly used to pay for the investments made during that time.

The investments asked for in the accompanying table can therefore first be covered by the net profits to be obtained starting January 1940. Until then they must be financed with supplementary bank credits. Since at the moment there are no other financing possibilities and since the investments are unavoidably necessary and calculated as low as possible we ask for their approval.

(Handwritten notes illegible)

Heil Hitler!

Bormdorfer Metallwarenfabrik
Arthur Krupp A.G.

(signature) Claus von Bohlen und Halbach

1 Table including reasons - 2 -
(page 2 of original, cont'd)

Handwritten:

Until end of September were paid
38/39 " " RM 500,000.—
39/40 " " RM 1,644,000.—

" " RM 1,019,000.—

Total: RM 3,163,000.—

CERTIFICATE OF TRANSLATION

16 January 1948

I, George GOODMAN, No. 34739, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the Document No. NIK-12377.

George GOODMAN,
No. 34739.
BERNDORFER METALLWARENFABRIK ARTHUR KRUPP A.G.

Business Report and Statement

for Fiscal Year 1937
Presented to the 21st Ordinary General Meeting of the Shareholders of the Berndorfer Metallwarenfabrik Arthur Krupp A.G.
24 October 1938

Published by the Publishing Department of the Berndorfer Metallwarenfabrik

Arthus Krupp A.G., Berndorf, Niederdannau (Lower Saxony).

( page 2 of original)

Members of the Verwaltungsrat (Administrative Council)

Landrat, retired, Tilo Freiherr von Altmovsky
Dr. Ing. Claus von Schlen und Halbach
Dr. Ing. Arno Griessmann
Dr. Dr. Wolf Hoffer
Dr. Wald Loeser

Agenda (Order of the Day)


2. Report of the Auditors and Resolution on their action for Adoption to the Verwaltungsrat.
3. Resolution regarding the Fiscal Year for 1937, and on the Liquidation of the 21st Ordinary General Meeting of the Verwaltungsrat.
4. Appointment of the two Auditors and their alternates for the Fiscal Year 1938, also their remuneration.
5. Election of a Committee under Article 9, section 4, of the Statutes for the purpose of concluding a Legal Transaction with a member of the Verwaltungsrat.
6. Miscellaneous.

The Verwaltungsrat of the Berndorfer Metallwarenfabrik Arthur Krupp A.G.

- 1 -
Honored Members at General Meeting:

It is our sad duty to commemorate the passing, at an advanced age, of the President of our company, His Excellency Dr. h.c. (honoris causa) Arthur Krupp, on 21 April 1938. In 1879 he took over from his father the Bernsdorf Fabrik, then a sole proprietorship, and raised it to one of the largest industrial enterprises of international repute. When the private firm was converted into an Aktiengesellschaft (Joint Stock Company) in 1915, he remained at the head of the company, as president of the Verwaltungsrat. He held this position until his death.

Outstanding are the services which His Excellency Krupp rendered to our enterprise. His rich experiences, his entire thoughts and endeavors were at all times dedicated to the firm. As early as at the turn of the century, he had created important social and humanitarian facilities for his workers and employees. Here, as in so many other spheres, he was in advance of the times by decades. His work assures him of a place of honor among the great names of German industry; his genius and the high qualities of his personality will live in our works for ever.

Before we present to you the results of the fiscal year 1937, we wish to record that not only events which has fundamentally changed the future and the tasks of the works, namely, the Anchluss of Austria to the German Reich, today the organisation has entered the export region of the old Reich, thus ensuring the sizable and continuous employment of the members of this organisation. On the other hand, great are the tasks which fell to the works’ management, and the entire complement as a result of the change, meet the conditions of the old Reich, the demands of the Four-Year-Plan, and the competition of the industry of the old Reich—which is using modern equipment and has been fully operating for many years. Yet we will gladly devote our entire energy and industry to the fulfillment of these tasks, in order to pay off part of the debt of gratitude which is an obligation to our Fuehrer, Adolf Hitler.

The fiscal year 1937 showed a considerable increase in the turnover of goods and in the receipt of orders. We must above all point out here that we were recently able to further increase the turnover quota for exports—which has already amounted to a handsome percentage, and this in spite of the fact that the tariff-barriers in various states as well as the difficulties in commercial and monetary policies have persisted during the year of the report. The price war in the world market continued, and forced to engage in transactions at reduced prices, or to forego certain business. The fact that we achieved a favorable result in the year of the report, aside from handicaps which have only been hinted at may not in the last resort be attributed to the sterling quality of our products. If we do not distribute any dividends out of the net profits made this year in spite of the favorable results, it is because...
of the consideration that we must do everything to expand our works in the quickest possible way in order to maintain competition, and also to set up installations for new production branches. For this reason, and in the interest of the company, a portion of the net profits will be used for the establishment of a special fund.

The net profit for 1937 amounts to (3-Schilling) 8742,171,32
inclusion of the profit balance for 1936, of 165,557,06 results in a total amount of 8907,728,37

we ask you to adopt the accounts as per 31 December 1937, to approve of the work of the Verwaltungsrat, and to utilise the total profits as follows:

1. Allocation of 25% of the yearly profits for 1937, amounting to 8742,171,32, to the reserve fund according to art. 30, paragraph 2, of the statutes ...... 8185,943,64

2. Allocation of 8450,000,00 to fund for the renovation and expansion of Installations,

3. Forward the profit balance to the 1938 account ...... 8272,184,73

The distribution of a dividend and, likewise, the payment of a bonus to the Verwaltungsrat will not be made.

we take the further liberty of calling the attention of the General Meeting to the fact that the majority stock of our company has recently been taken over by the FRIEDR. KRUPP KETTEN GESellschaft, Essen, and that in connection there with a change has taken place in the composition of the Verwaltungsrat. we wish to express our warmest thanks to the gentlemen who have resigned, for the very fine services which they have rendered to our organization.

In conclusion, we report that the Verwaltungsrat has nominated the following gentlemen into the Verwaltungsrat under art. 10, paragraph 5, of the statutes:

Lehrrat, retired, Tilo, Freiherr von Almowsky,
Lipl.-Ing., Claus von Bohlen und Halbach,
Dr., Wald Loesser,
Dr., Ing., Arno Griessmann;

we ask the honored Members of the General Meeting to confirm these nominations.

The Verwaltungsrat of the Berndorfer Stahlwarenfabrik ...

Berndorf, October 1938.

- 3 -
The members in General Meeting

We have the honor of reporting to you herewith, that, in the execution of the mandates given us by the 20th ordinary general meeting of 28 June 1937, on this day we have inspected the balance sheet as well as the main and secondary books in the offices of the BERNLORFER KRUPP Aktiengesellschaft MK Arthur Krupp ..., in Berndorf, and that we have found them to be in the best order; also, that the accounts and the Profit and Loss account presented here, and drawn up to 31 December 1937, are in complete agreement with the company's books.

We therefore request:

General
That the meeting adopt them and grant discharge to the Verwaltungsrat for the fiscal period, 1st January to 31st December 1937.

Robert Glatzl m.p. (?) Dr. Fritz Henauscheck m.p.
Berndorf, 8 October 1938

Annual Accounts
and Statement of Profit and Loss
as of 31 December 1937

Balance Sheet

Fixed Assets
Real Estate
Factory and Building Land, Water Power 8,404,724.24
Buildings:
Factory and Dwelling Houses ... 1,728,206.00
Machinery and Installations ..... 2,606,816.00
Land and Forest Properties, Coal 2,702,318.19
Mines ..... 7,442,064.43

- 4 -
STOCKS

Raw Materials (metals and working materials)

Semi-finished goods $9,778,226,51
Goods ready for sale 779,122,00
Cash 3,136,20182 $13,694,249,34
S 7,879,932,29
Advance payments to Suppliers 1,472,501,96
Bank Balance 4,192,271,23 $13,261,965,48

Bills of Exchange

Shares and Bonds

Customers etc. $7,997,992,29
Advances to Suppliers 1,472,801,96

Bank Balance 363,461,097

Bonds Sureties (Burgoschtschafts- schulden) and Securities

$36,377,014.35

LIABILITIES

Share Capital
75,000 shares at S120.00 nominal
Reserve Funds, under Statute arts. 30, par. 2
Unpaid dividends
Creditors
Long term Swiss Loan $7,179,925.00
Other Creditors
Bond Sureties and Securities given
Profit Forward
Profit $9,000,000
$1,053,005.36
2,222,140
$25,374,059.22
$155,557.08
$742,171.71
907,728.37
36,377,014.35

Main and Secondary Books certified to agree.
8 October 1938.
Mr. Fritz H. MAUSECK m.p. (?)

- 5 -
TRANSLATION OF DOCUMENT No. NIK - 10 673
CONTINUED

( page 11 of original)

DEBIT

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>$1,332,711.11</td>
</tr>
<tr>
<td>Depreciations</td>
<td>$360,385.74</td>
</tr>
<tr>
<td>Special depreciations</td>
<td>$213,287.85</td>
</tr>
<tr>
<td>Trading expenses</td>
<td>$3,522,065.68</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>$779,397.75</td>
</tr>
<tr>
<td>Doubtful accounts</td>
<td>$80,572.92</td>
</tr>
<tr>
<td>Profit &amp; loss</td>
<td>$165,557.06</td>
</tr>
<tr>
<td>Profits</td>
<td>$742,171.21</td>
</tr>
<tr>
<td>Total</td>
<td>$7,256,148.57</td>
</tr>
</tbody>
</table>

Above Profit and Loss Statement with
Sorndorf, date
Robert Gitzl m.p. (?)

( page 12 of original)

CREDITS

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit balance</td>
<td>$165,557.06</td>
</tr>
<tr>
<td>Gross receipts</td>
<td>$7,090,901.91</td>
</tr>
<tr>
<td>Total</td>
<td>$7,256,148.57</td>
</tr>
</tbody>
</table>

Main and auxiliary books certified to agree:
8 October 1938.

Dr. Fritz H. U. N. M. K. m.p. (?)

CERTIFICATE OF TRANSLATION

12 January 1948

I, George Goodman, No. 34 789, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of document No. NIK - 10 673.

George Goodman,
No. 34 789.
for the extraordinary General Meeting of shareholders of the Berndorfer Metallwarenfabrik Arthur Krupp ..G. on 30 June 1939.

1. Division of the financial year 1938 into two financial periods from 1 January until 30 November and from 1 December until 31 December.

2. Submission of the financial report of the Verwaltungsrat together with balance of accounts for financial period of 1 January 1938 till 30 November 1938.

3. Report by the auditors on the balance of accounts during the financial period cited, resolution in connection with this and exoneration of the Verwaltungsrat.

4. Resolution to abstain from distribution of net-profits during the financial period from 1 January till 30 November 1938, making them available for supplementing dividends during the subsequent financial period.

5. Resolution on adjusting the statute to the stock law of 30 January 1937.

6. Report of Verwaltungsrat and of the auditor concerning the first balance sheet of 1 December 1938, as well as the conversion of the Company according to article 5 of the conversion-order of 2 August 1938.

7. Resolution on first balance sheet and conversion.

8. Appointment of Aufsichtsrat.

9. Appointment of auditor for the financial period of 1 December until 31 December 1938.

10. Miscellaneous.
According to article 11 of the conversion-order of 2 August 1938, Reich Law Gazette I, page 962, we submit the Reichsmark first balance sheet of 1 December 1938, and report as follows:

The assets and liabilities have been entered in the first balance sheet within the valuation limits prescribed by article 3 of the conversion-order.

When comparing entries in the balance of accounts as per 30 November 1938 and in the first balance sheet per 1 December 1938 it must be taken into consideration that the closing balance was not drawn up in compliance with the regulations concerning the rendering of accounts prescribed by the stock law and the first implementation order to the stock law. This balance of accounts is therefore not yet subdivided in accordance with the rules for the first balance sheet, rendering a comparison of the various entries not immediately possible. Variations between the two balances appear as follows:

1. At the reconstruction of the balance sheet in 1933 the invested capital had been entered at a figure far below its actual value. In view of the changed conditions and the improved economic situation, we have re-adjusted these assets to present day values, whereby these entries are increased by Rm 12,091,801.72

2. In the case of investments, too, we discovered a slight increase compared to the book value, resulting in an increase in their item of Rm 67,195.67

3. In the case of securities the increase in value amounted to Rm 15,004.38

4. Liabilities in the balance sheet were reduced by Rm 2,347,406.85 which was mainly due to foreign exchange liabilities being entered in the first balance sheet no longer at their book-value, as hitherto, but at the reduced values ascribed to them on the deadline date.

This resulted in a conversion-surplus of Rm 14,521,712.36

The balance sheet on 30 November 1938 showed the firm's own resources to amount to:

Share capital
Reserve funds according to Statutes article 30, section 2
Plant renovating and extension funds
Reserves

Rm 6,000,000.00
Rm 852,366.00
Rm 300,000.00
Rm 3,756,351.89
Rm 10,908,717.69
By the conversion of assets and liabilities the firm’s resources have been increased by 3,671,712.63 RM and without taking into account the profits brought forward, the firm’s own assets amount therefore to 25,430,430.32 RM.

Of these assets we have allocated to the Share capital account 12,000,000 RM to be divided into 12,000 shares of 1,000 each. There are consequently intended for exchange 25 old shares at a nominal value of 1,120 for 4 new shares at a nominal value of 1,000. For the compulsory reserves were set aside 8,430,430.32 RM and for additional reserves 8,430,430.32 RM. Total 25,430,430.32 RM.

The first balance sheet was audited by the certified public accountant, Herr SCHLOER, Berlin, appointed by the General Meeting on 24 October 1938.

Berndorf, June 1939

THE VERWALTUNGSKOMMITTEE OF THE BERNDORFER METALLEHRZUG-FABRIK ARTHUR KRUPP A.G.

(page 4 of original)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Reichsmark-First</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested capital</td>
<td>Reichsmark</td>
</tr>
<tr>
<td>Built on real estate with business premises or dwelling-houses</td>
<td>3,063,765.52</td>
</tr>
<tr>
<td>Built on real estate with factories or other buildings</td>
<td>3,986,039.46</td>
</tr>
<tr>
<td>Vacant real estate plots</td>
<td>3,067,525.10</td>
</tr>
<tr>
<td>Mine property</td>
<td>320,000.00</td>
</tr>
<tr>
<td>Machinery and engineering installations</td>
<td>6,902,079.48</td>
</tr>
<tr>
<td>Tools, plant- and business equipment</td>
<td>164,842.46</td>
</tr>
<tr>
<td>Concessions, Patents, Licences and property rights</td>
<td>24,401.63</td>
</tr>
<tr>
<td>Incomplete new installations and first instalments for new installations</td>
<td>12,666,720.33</td>
</tr>
<tr>
<td>Participations</td>
<td>215,406.60</td>
</tr>
</tbody>
</table>

Total: 19,690,773.91
Floating assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>New materials, subsidiary and plant materials</td>
<td>4,967,494.01</td>
</tr>
<tr>
<td>Semi-finished products</td>
<td>1,352,346.-</td>
</tr>
<tr>
<td>Finished products, merchandise</td>
<td>3,463,732.-</td>
</tr>
<tr>
<td>Total</td>
<td>9,783,572.01</td>
</tr>
</tbody>
</table>

Securities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial payments made</td>
<td>30,735.96</td>
</tr>
<tr>
<td>Claims for delivered goods and services</td>
<td>675,525.36</td>
</tr>
<tr>
<td>Claims on Konzern enterprises</td>
<td>5,965,957.38</td>
</tr>
<tr>
<td>Bills of exchange</td>
<td>792,298.02</td>
</tr>
<tr>
<td>Checks</td>
<td>32,206.28</td>
</tr>
<tr>
<td>Cash-, Reichsbank- and Post Office Check balances</td>
<td>13,174.78</td>
</tr>
<tr>
<td>Bank credit</td>
<td>285,483.07</td>
</tr>
<tr>
<td>Miscellaneous claims</td>
<td>153,670.01</td>
</tr>
<tr>
<td>Total</td>
<td>17,560,945.26</td>
</tr>
<tr>
<td>Summary account for deferred and accrued items</td>
<td>76,590.75</td>
</tr>
<tr>
<td>Guarantees</td>
<td>249,670.01</td>
</tr>
<tr>
<td>Total</td>
<td>37,628,362.02</td>
</tr>
</tbody>
</table>

THE VER DISKURGGSATZ OF THE
BERNDORFER HEBENLEGENFABRIK
ARTHUR KRUPP A.G.
Balance of 1 December 1938

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Reichsmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>12,000,000.‐</td>
</tr>
<tr>
<td>Reserves</td>
<td></td>
</tr>
<tr>
<td>Compulsory reserves</td>
<td>5,000,000.‐</td>
</tr>
<tr>
<td>Additional reserves</td>
<td>8,430,430.32</td>
</tr>
<tr>
<td>Adjustment of valuation</td>
<td>579,616.79</td>
</tr>
<tr>
<td>Reserve funds</td>
<td>2,634,900.66</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
</tr>
<tr>
<td>Debts on mortgages</td>
<td>2,212,640.56</td>
</tr>
<tr>
<td>Commitments on plant savings deposits</td>
<td>168,583.98</td>
</tr>
<tr>
<td>Instalments paid by clients</td>
<td>517,185.59</td>
</tr>
<tr>
<td>Liabilities from consignments of goods and services</td>
<td>1,116,591.08</td>
</tr>
<tr>
<td>Liabilities to other Konzern enterprises</td>
<td>208,962.61</td>
</tr>
<tr>
<td>Liabilities on bills of exchange</td>
<td>437,388.60</td>
</tr>
<tr>
<td>Bank liabilities</td>
<td>3,461,806.55</td>
</tr>
<tr>
<td>Miscellaneous liabilities</td>
<td>101,733.55</td>
</tr>
<tr>
<td>Summary account for deferred and accrued items</td>
<td>53,226.36</td>
</tr>
<tr>
<td>Guarantees</td>
<td>249,670.01</td>
</tr>
<tr>
<td>Surplus brought forward</td>
<td>645,244.27</td>
</tr>
</tbody>
</table>

According to the final result of my conscientious examination of the company’s books and documents, as well as according to the explanations and information furnished by the management, the above Reichsmark first balance sheet, the accounts and the report made by the Verwaltungsrat in connection with the Reichsmark first balance sheet are in compliance with legal instructions.

Berndorf, 12 June 1939.

SCHLOER
CERTIFIED PUBLIC ACCOUNTANT
3 December 1947

I, Annette Jacobsohn, No. 20146, hereby certify that I am a duly appointed translator for the German and English languages and that the above is a true and correct translation of the document No. NUK-11185.

Annette Jacobsohn,
No. 20146
Application for the
Grant of
M_2 442 400.---
for Berndorfer Metallwarenfabrik
Arthur Krupp AG
Berndorf.

To Herr Goerens n.R. Initial: G 2/3 (?)
" " Looser " : 28/7. L
first to Herr Rosenbaum
(Signature): Rosenbaum 27/7/42
(handwritten): see enclosures too.
Initial: L 4/7. (Bird)

To Fried. Krupp A.G.
direktorium

In the enclosure we submit our application for
credit No. 20 and request approval.
(Signature): ? Looser (Signature): Goerens.

Since the building expansion to an installation
for a production of about 1000 tons a month has
been approved at the meeting of the Aufsichtsrat
at Berndorf on 16 June 1942 as the basis of the
investigations, and examinations carried out so
far and verbal expositions of the Vorstand, the
figure above mentioned of M 2 442 400,-- includes
an amount of M 2 174 300,--

Enclosures:
18 sheets
for supplements and the further gradual expansion of the light metal plant. The quota supply for these completions and enlargements is ensured for the most part.

The detailed arguments for the light metal installations requested are given, as always in the supplement to our application, pages 9 to 16.

As for the other plant departments, we restricted ourselves in accordance with the present quota situation, and applied only for installations essential for the maintenance of our war production which has to be cared for by the allocation of the necessary quotas.

The plan of payment (pages 17-18) offers a survey of the expirations of the payments.

FEBNORPER
Metallwarenfabrik Arthur Krupp
Aktiengesellschaft

(Signature): H. Golucke
(Signature): Dr. Baur

CERTIFICATE OF TRANSLATION

15 January 1946

I, Gerta KANNOVA, No. 20151, hereby certify that I am thoroughly conversant with the English and German languages, and that the above is a true and correct translation of Document No. NIK-13075.
To Mr. Bird:

Re: Application for RM 2 442 400 — of the Bern‑
dorfer Metallwarenfabrik Arthur Krupp AG, Berndorf.

The application was examined by me and is correct throughout. As I heard from Mr. Saur a short time ago, he discussed the profitability of this additional building with Dr. Loeser. For practical purposes the profitability is added to the files, without a report on prejudice to an immediate granting of the application. Of course, this report need not deal with installation, as, for instance, the erection of barracks for the lodging of foreign workers, and installations for the Werkschutz (Works Security Police), but only with the proof of the profitability of the completion of the factory installations. Since I know that a profitability calculation is possible in this field, I consider it correct to supplement the application accordingly.

How essential is it, in your opinion, to inform the Planning Committee (Planungsausschuss) of the application? If necessary, I ask you to submit it to the Planning Committee. In this case, however, the profitability calculation should be at hand first, otherwise the members of the Planning Committee cannot be sufficiently informed about the matter. I, for my part, am now, as before, of the opinion that the slow (gradual) expansion of Berndorf up to a capacity of 1000 tons is the right way, because with the small output of 500 tons per month Berndorf possibly might fail as a price competitor later on.

(Signature): Rosenbaum

CERTIFICATE OF_TRANSLATION_

15 January 1948

I, Gerta KANNOVA, No. 20151, hereby certify that I am thoroughly conversant with the English and German languages, and that the above is a true and correct translation of Document No. NIK-13077.

Gerta KANNOVA,
No. 20151.
Application No. 23

Berndorf, 16 October 1942

Application for the approval of
H 714 100,--

for
Berndorfer Metallwarenfabrik, Arthur Krupp AG,

Berndorf

Initials: B 5/XI.
(Krupp_BohlenHalbach)

(Stamps):
To Herr Goerens Initial: G 24/10.
" " Looser " L 24/10. ? (illegible)
" " A. von Bohlen" AB 27/10.
first to Herr Rosenbaum sign.: Rosenbaum 25/10/42
Initial: B. 22/10. (Bird)

Decision No. 862
Approved
Geh., Essen, 5 November 1942
Fried. Krupp AG.
directeur

(Signature): Looser
(Signature): Goerens

To
Fried. Krupp
Aktiengesellschaft

Essen

(Stamp):
W.K.
13 November 1942
A.Ir.

1) for information
2) Rev. E.
3) T.E. Initials: H a
19/10. ? p.R. Spu
4) H.V.E. Files.
Enclosures:
list of machines
reasons
plan of payment

- 1 -

We submit our application for credit No. 23 and request its approval.

The application concerns first and foremost a further smelting and foundry installation for production, thereby the first step of expansion envisaged by us to a capacity of 5 - 600 tons finished products per month.
Furthermore it concerns a series of smaller installations for different shops, which give preference to the production of Wehrmacht ordnances, but can also be used for a future peace production.

As hitherto we have applied today only for such installations whose acquisition seems to be possible.

The detailed arguments are given in the appendix on page 6 to 11.

The plan of payment on pages 10 and 11 allows a survey of the probable expiration of the payments.

BERNDORFER
Metallwarenfabrik Arthur Krupp
Aktiengesellschaft

(Signature): H. Golucke
(Signature): Dr. Baur

CERTIFICATE OF TRANSLATION

15 January 1948

I, Gerta KANNOVA, No. 20151, hereby certify that I am thoroughly conversant with the English and German languages, and that the above is a true and correct translation of Document No. NIK-13079.

Gerta KANNOVA,
No. 20151.
Dear Mr. Schroeder, Initial: Schroeder 10.5.

Many thanks for your kind letter dated 28 April. My son was particularly pleased about the stamps - thank you very much. I shall have the amount of RM 47.30 put to the account of the Friedrich Krupp A.G., for payment to you.

Last night Mr. SCHULZ arrived here in order to make a report.

Yesterday I forwarded to Mr. KRUPP von BOHLIN the particulars for the invitations to be sent to the members of our Aufsichtsrat for the meetings on 26 May, so that he could sign them and pass them on; in answer to my enquiry he had already informed me some time ago that Dr. JANSEN and Professor Erich MÜLLER are to be elected to our Aufsichtsrat. We very much appreciate Herr von BOHLIN'S decision in his respect.

The invitations for the 100th anniversary on 25 May sent to the present and future members of our Aufsichtsrat will be sent out by the end of this week. I need not tell you how much we should have welcomed your presence, but since meetings, congresses and the like are forbidden at present, and every unnecessary journey is to be avoided, we have invited as guests from outside the Ostmark only the members of our Aufsichtsrat and heads of branches, and I know you will agree with me that no exception should be made.

With kind regards,

Yours truly,

(signature) F. BAUR

DATE OF TRANSLATION

October 23, 1947

I, Monica Wollweber, No. E-00525, hereby certify that I am a duly appointed translator for the English and German languages and that the above is a true and correct translation of the document No. NIK - 8.

(Signature)

MONICA WOLLWEEBER
No. E-00525
I, Ing. Maximilian Hahn, residing at Berndorf, Lower Austria, St. Veit a,Tr., Hauptstrasse 98, after having it brought to my attention that I make myself liable to punishment if I make a false statement under oath, declare in lieu of oath, of my own free will and without coercion the following:

Since 15 September 1917 I have been employed by the Berndorfer Metallwarenfabrik Aktiengesellschaft, Berndorf, Lower Austria, as works manager of the Energy-Department. In this capacity I was initiated in all the affairs of the management of the works and/or attended the periodic meetings of the works managers presided over by the technical director at the time.

In August 1938 Herr Ing. Karl Goluecke, then residing in Berndorf, took over the position of a technical director. I know that he was a determined National-Socialist as could be seen especially in the meetings of the works managers and/or the factory workers meetings called by him.

In a works managers meeting at the beginning of 1943 Herr Goluecke made it known to the works managers and the foremen in no uncertain terms that as a disciplinary measure in the punishment of especially the Eastern workers at work as well as in the camp, whipping was in order and he stated explicitly that in case such an action should have consequences, he (Goluecke) would completely cover the foremen or supervisor in question. As a result of thus encouraging the use of corporal punishment a whole wave of such scenes followed.

Herr Goluecke's influence upon the works managers and foremen was directed to the end that these were to see to it that their subordinates would join the NSDAP and thus many people who were not at all inclined to National Socialists, are today looked upon as National Socialists and have to suffer the consequences.

(Signature) Maximilian Hahn
Outwardly Herr Goluecke was usually very friendly to the slave laborers, sometimes he even gave them cigarettes; but behind closed doors he gave orders to beat them in most any way, that is with canes or otherwise, especially if in his opinion the slave laborers did not do enough work or if they complained about the inadequate food or slapt at work. The ones who did the beating -- the supervisors, the chief-foremen and the foremen -- did it usually so that there were no witnesses; by calling the Russians to a remote spot in the factory, for instance behind the furnace. On the whole the treatment of the Russians was bad, their food was nothing special and as a rule it was worse than that of the other foreign workers.

Dr. Friedrich Baur who in 1933 was appointed commercial manager, was in the beginning a staunch National-Socialist, his convictions changed, however, with the unfavorable progress of the war.

I have carefully read each of the two (2) pages of this affidavit and have signed them. I have made the necessary corrections in my own handwriting and have initialed them and I declare under oath that I have stated nothing but the truth according to the best of my knowledge and conscience.

(Signature) Othmar Hahn
Othmar Hahn

Sworn to and signed before me this 3rd day of August 1947 at the Vienna Branch Office of the Berndorfer stallwarenfabrik Aktiengesellschaft, Vienna I, cöllealle 12, by Othmar Hahn known to me to be the person making the above affidavit.

(Signature) E. J. Tielowits
E. J. Tielowits
U.S. Civilian, D-1166714
Office of Chief of Counsel for War Crimes, U.S. War Department

End

CERTIFICATE OF TRANSLATION

I, E. J. Redelstein A/O X Ohó 289, hereby certify that I am a duly appointed translator for the German and English languages and that the above is a true and correct translation of the document No. NIK-1074.

23 October 1947
E. J. Redelstein
A/O X Ohó 289