

was generally obtained from other parts of France (Testimony of Henri Maine, Tr. pp. 2444, 2450-2451).

b. Activities after Acquisition

After Krupp took over the Austin plant, its production was devoted to the manufacture of parts for other Krupp plants such as Elmag, Krawa, Triebstoffwerke, and the Krupp Ordnance repair plant at Puteaux, for German railroads and the German Army Ordnance repair plant in Paris. Production of parts for armament products predominated; the remainder was also employed for war production purposes (Testimony of Henri Maine, Tr. pp. 2444, 2452, 2453). Approximately 2.2% of the productive labor time was spent on the repair of agricultural tractors and production of tractor parts called for by the machinery purchase agreement (Testimony of Henri Maine, Tr. pp. 2445, 2457).

In November, 1943, Alfried Krupp inspected the plant at Liancourt accompanied by Johannes Schroeder. Although he was generally pleased with the results, he believed the plant was not being fully utilized and suggested that production of Widia tools be set up at the plant. Schroeder advised Habermaas of Krawa, Janssen and Eberhardt of this recommendation and suggested a meeting in Essen on this problem (Exh. 674, NIK-7025, Bk. 21, p.12). By March, 1944, installation of Widia tool production at Liancourt had been started (Exh. 677, NIK-7023, Bk. 21, p. 32).

The Krupp activities in Liancourt ended shortly before the occupation of the city by American troops. Krupp dismantled almost all of the machines it had collected in France and Germany for its production and evacuated them to Germany. Among these, it also removed two of the machines which had originally been obtained from the Austin plant (Testimony of Henri Maine, Tr. pp. 2445-2477).

c. Attempts to Obtain Title

The acquisition of the Austin plant on lease and its conversion to the German war production program did not fulfill all of Krupp's

plans. The ultimate goal was to obtain title to the plant. This, however, was never achieved, despite the strenuous efforts of the concern, because of the change in the military situation. The most active figure in pushing this attempt was Stein in Paris. He was in constant touch with the home office in Essen concerning these plans, particularly with Schroeder and Schuerman in the Finance Department (Exh. 673, NIK-7012, Bk. 21, p. 1; Exh. 679, NIK-7017, Bk. 21, p. 36; Exh. 677, NIK-7023, Bk. 21, p. 32). The original decision to have a Krupp owned French corporation take over the plant was pursued constantly. The establishment of a single Krupp corporation in France to take over all French interests was discussed by Loeser and Alfried Krupp in early 1943, and Alfried Krupp and Schroeder discussed the carrying out of this plan during their trip to Liancourt and Paris later that year (Exh. 659, NIK-10332, Bk. 19, p. 116). Various difficulties which arose in connection with the execution of the plan were also discussed with Eberhardt when he made a trip to Paris with Schroeder (Exh. 681, NIK-7027, Bk. 21, p. 40).

An incidental result of the unsuccessful attempts by Krupp to gain title to the Austin plant was the death of Rothschild in the Auschwitz concentration camp. He was arrested and deported to Auschwitz as a result of his refusal to provide financial information which the incumbent Provisional Administrator of the Austin works had requested in order to assess the shares for purposes of sale to Krupp (Testimony of Milos Celap, Tr. 2403-2405, 2434-2435).

The Krupp concern, in connection with its activities in France, also leased a building in Paris from the Provisional Administrator of the Societe Bacri Freres. This building, 141 Boulevard Hausmann, had been taken over by the Provisional Administrator on the basis of a determination of the Commissariat General for Jewish Affairs that the Societe Bacri Freres was a Jewish enterprise. The lease agreement, which contained an option to purchase, clearly indicated the nature of the Provisional Administrator's control over the property. It was

executed by Stein on behalf of Fried. Krupp A.G., pursuant to a power of attorney granted by Fried. Krupp A.G. in Essen (Exh. 678, NIK-9595, Bk. 21, p.29). Thereafter, Stein was informed that, on principle, Loeser approved of the acquisition (Exh. 690, NIK-13006, Bk. 21A, p. 15).

d. Summation

The confiscation of the Austin plant by the German occupation authorities was expressly based upon a German discriminatory racial law which provided for the elimination of Jewish influence from business enterprises in occupied France.^{1/} The deprivation of property rights of the owner pursuant to such law was in violation both of article 43 of the Hague Regulations protecting inhabitants of an occupied country against changes in local law and of article 46 of the Regulations providing that private property must be respected. The Krupp Concern contributed to and participated in the violations of the Hague Regulations by its lease of the plant and its purchase of the machinery therein from the Provisional Administrator. Similarly, it contributed to and participated in such violations by virtue of its lease of the building in Paris from the Provisional Administrator of the Societe Bacri Freres.

The seizure of this property on the avowed basis of a decree which was clearly illegal obviates the necessity for any further inquiry to determine if any permissible basis for expropriation existed. However, in any event, the circumstances surrounding the transactions present no possible ground for justifying the confiscation, either in the interest of public order and safety or the needs of the occupation.

^{1/} The Reich's anti-Jewish decrees were extended to the occupied countries of Europe as each in turn was invaded. These laws were not only designed to impose Nazi racial theory, but were consciously employed as a means of acquiring property in the occupied countries and infiltrating into the local economics (IMT Judgment, p. 285). "Aryanization" as a means of economic penetration was employed particularly in the occupied countries of the West, with the economic motive being dominant (Exh. 652, NG-3693, Bk. 19, pp. 79,80).

The fact that the plant was in the first instance returned by the German military authorities to Celap negatives any suggestion that his operation of the plant represented any hazard to the occupation forces. The assumption of control by the Krupp Concern for the express purpose of serving the needs of German war production contradicts any possibility that the needs of the occupation required expropriation. Any possible claim to legal expropriation is also precluded by the complete absence of any provision for conserving the rightful owner's interest.

The taking over and operation of the plant by Krupp in the interest of German war production, disruption of the normal production, and the efforts to obtain permanent possession of the plant for post-war exploitation, also clearly constituted participation in the general program of spoliation of the Third Reich.

e. Individual Participation^{1/}

The first efforts to obtain control of the Austin plant and the negotiations to complete the acquisition were conducted jointly by the management of Krupp Krawa and the Krupp Essen Finance Department (Exh. 665, D-526, Bk. 20, p. 20; Exh. 686, NIK-13002, Bk. 21A, p. 8; Exh. 688, NIK-12999, Bk. 21A, p. 12).^{2/} Approval of the leasing of the plant and purchase of the machinery therein was granted by the Vorstand through Alfried Krupp and Loeser (Exh. 684, NIK-13018, Bk. 21A, p. 3). Major decisions on production programs at the plant were made by Alfried Krupp, Janssen, Eberhardt and Habermaas (Exh. 674,

^{1/} See footnote 1, p. 36, supra.

^{2/} As already noted Loeser was in charge of the Finance Department up to April 1943 and Janssen thereafter. The lease of the plant and purchase of machinery took place while Loeser was in charge. The activities of the Finance Department relating to management and the attempts to obtain permanent possession took place both prior to and after April 1943.

NIK-7025, Bk. 21, p. 12). The financial and administrative affairs of the Austin plant were supervised by the Krupp Finance Department in Essen.^{1/} (Exh. 673, NIK-7012, Bk. 21, p. 1). This Department also took the most active role in attempting to obtain permanent ownership of the Austin plant (Exh. 679, NIK-7017, Bk. 21, p. 36; Exh. 677, NIK-7023, Bk. 21, p. 32), after the basic decisions on the plans to obtain permanent control had been made by Alfried Krupp and Loeser (Exh. 659, NIK-10332, Bk. 19, p. 116). Difficulties in achieving this acquisition were also taken up with Eberhardt (Exh. 681, NIK-7027, Bk. 21, p. 40).

1/ Ibid.

Extra

4. Industrial Plants in Russia

a. Government Program

The exploitation of the economic resources of Russia was accomplished in large part through monopoly companies created by the Reich. The "Berg- und Huettenwerke Ost" m.b.H., BHO, was established by Goering on 20 August 1941, with Paul Pleiger as its manager. Alfried Krupp was a member of the Verwaltungsrat. Partners in the establishment of the BHO were the Reich, represented by the Ministry of Economics, the Economic Group Mining Industry, the Economic Group Iron Producing Industry, and the Economic Group Wholesale Import and Export Trade (Exh. 1381, NI-5581, Bk. 52, p.3). The purpose of this new company was outlined in a circular distributed by the Economic Group Iron Producing Industry on the following day:

"The monopoly company ordered by the Reichsmarschall for the spheres of coal and iron mining, the iron producing industry and the foundry industry in the occupied territories of the Soviet-Union, was established on 20 inst. at the Reich Ministry of Economics. This company is formed for the purpose of enabling the plants belonging to the above-named industries which still exist there and have been brought within the German zone of power, to be utilized and operated through the company. The company will be authorized in particular to close or to shut down the plants under its control or parts of these, to lease the said plants or to utilize them by handing over to other enterprises (Exh. 1381, NI-5581, Bk. 52, p.3).

Two months after the BHO was established, a decree was issued by Goering as an addition to the Green Folder of "Guiding Principles for the Economic Operations in the Newly Occupied Eastern Territories":

"For the clarification of doubtful questions which have arisen in connection with the discovery, seizure, securing, sequestration, removal and utilization of raw materials and materials important for the conduct of the war belonging to the industrial economy of the New Occupied Eastern Territories, the relevant directives and provisions are recapitulated" (Exh. 644, NI-5470 (EC-347), Bk. 19, p. 23).

This decree first set forth the priorities for the removal of stocks of raw materials from the occupied territories and then stated:

"The quantities remaining will then be utilized in the occupied Eastern Territories according to the demands which the Reich has to make on the occupied territories from the point of view of war economy" (Exh. 644, ibid).

An edict was issued by Goering on 20 May 1942 to set forth "The Principles for the Administration by Trustees in the Occupied Eastern Territories" in order to resolve conflicts which had arisen on the basic purposes of such administration. It provided in part as follows:

"Property still to be sequestered (beschlagahmt), or already sequestered became available for the struggle against Bolshevism in consequence of the commitment of the entire German people. It is, therefore, to be treated as the Marshalled Property (Sondervermoege) of the Reich. The proceeds arising from a subsequent disposal of this property shall be applied to the account of war expenditures" (Exh. 646, NI-3795 (EC-347), Bk. 19, p. 36).

Additional information on the purposes of the sponsorships created by the BHO is found in the first Report of the BHO for the year 1942, which was distributed in a circular to the members of the Economic Group Iron Producing Industry:

"The industrial economy of the Ukraine can only be converted rapidly and effectively for the production of German armaments if the reconstruction and expansion of the plants, as well as their production, are systematically planned with a view to the needs of the Wehrmacht. The ever-present danger of seeing only one's own plant is naturally particularly great in such an extensive field. This must be counteracted by planning and directing reconstruction and production in such a way as to foster the interests of the Reich. If this is not done, the result will have been uselessly wasted. An Office (Referat) has accordingly been created in the main administration with the difficult task of satisfying in conjunction with the competent offices in the Reich, the requirements and demands imposed on the district by the necessities of war and armament economy by means of the possibilities already existing or which can and must be created now and in the future. In this connection it must be remembered that conditions with regard to demand may be expected to fluctuate very considerably for some time.

"Foundries and processing plants owned by BHO were placed under the sponsorship (Patenschaft) of German firms in the fall of 1942, subject to approval by the Reich Marshal. The above mentioned point of view regarding planning for the purpose in view was the decisive factor in the granting of these trusteeships" (Exh. 648, NI-4332, Bk. 19, pp. 44, 47).

b. Acquisitions by the Krupp Concern

Negotiations between the Krupp Concern and the BHO regarding the assumption of sponsorships in the Ukraine began early in 1942. The principal negotiators at this time were Alfried Krupp and Pleiger. Alfried Krupp explained this early phase of negotiations in an affidavit dated 25 June 1947, which in part stated as follows:

"After the occupation of the Ukraine a Berlin government office - I have forgotten which one it was - suggested to the Krupp firm (sometime in the spring of 1942) that it declare itself ready for participation in the resumption of operations in the Ukrainian Iron and Steel Industry. The object should be to supply the combat troops and rear echelons, to repair the communication system and installations and to deliver supplies for the coal mines of the Donez-district.

* * *

"Due to my acquaintance with Pleiger and the necessity for cooperation with the Reich-Associations "Iron" and "Coal" (RVE and RVK) I drew the assignment for conducting the first Krupp negotiations with Pleiger. In agreement with Goerens, Loeser, Houdremont and Fritz Mueller, at that time members of the Krupp Direktorium, and my father, I made assent of the Krupp firm dependent on the question which of the works would be operated by Krupp and in what form this was to be done.

"Following an inspection trip in company with Mr. Pleiger to several works (at and near Stalino, M Mariupol and Kramatorskaja) in June or July 1942 I proposed to my colleagues, that we take over the sponsorship for the following works: the machine factory in Kramatorsk, Kramatorskaja, the steel-works Asow and the steelworks Iljitsch in Mariupol" (Exh. 1405, NI-11669, Bk. 52, p. 147).

At a meeting on 17 August 1942, in Loeser's office which was attended by Alfried Krupp, Goerens, Loeser, Lwowski and Schildkoetter, allocation of personnel to the plants to be so taken over from the BHO was discussed. Korschach was designated

as the Krupp representative to take over management of the Kramatorsk machine factory; Lwowski was to take over the two steel plants in Mariupol. Schildkoetter and several subordinates, who were to continue as Krupp employees but under contract to the BHO, were to be dispatched to Mariupol to manage the plants there (Exh. 1383, NIK-8062, Bk. 52, p. 33). On 28 August 1942, Pleiger confirmed his intention to grant the sponsorship of the selected plants to the Krupp Concern. Pleiger authorized Krupp immediately to take all steps necessary for the taking over of management and to use his letter as authority (Exh. 1410, NIK-13094, Bk. 52, p. 164). Although a number of details remained to be worked out which delayed the completion of these agreements between the Krupp Concern and BHO, it was understood that the allocation of these plants to the Krupp firm was firmly fixed (Exh. 1384, NIK-8437, Bk. 52, p. 35). It was specifically provided that the efforts expended by Krupp in the East would be considered when final distribution of industrial property was made (Exh. 1385, NI-858, Bk. 52, p. 39).

A difference of opinion arose between Pleiger and Krupp concerning the sponsorship of the Kramatorsk plant. On 17 October 1942, after a visit to this plant, Pleiger wired Alfried Krupp to express his regret at not finding any Krupp personnel present making preparations for reconstruction and resumption of work. He advised Krupp that under these circumstances, the sponsorship would have to be withdrawn.^{1/} Alfried Krupp immediately replied:

"I herewith confirm the receipt of your teletype of 17 of this month. As you know, the question regarding the assignment of sponsorship for the new machine factory Kramatorsk to the Krupp firm was not clarified, as the military agencies at Stalino as well as your representatives for smelting plant matters at that time - Herr Schoenrock - were of the opinion that the plant is not subordinate to Berghuette Ost (BHO). Thereupon I at once asked Herr Flottmann to clear up the matter. This was done only three days ago,

^{1/} Exh. 1419, NIK-13994, Bk. 52, p. 183.

in the sense, that the plant is subordinate to the Berghuette (BHO), and the Berghuette will announce our sponsorship this week, in the same way as has been done a short time ago regarding the plants ASOW I and ASOW II.

"As long as these questions were not clarified, it was impossible for the Krupp firm to start work at Kramatorsk. Notwithstanding, five Krupp gentlemen arrived at Kramatorsk in the meantime.

"Herr Direktor Dr. Korschan will be at your disposal at any time in order to discuss this question with you. I would be grateful to you for giving him an appointment as soon as possible. I myself will be in Berlin only next week" (Exh. 1420, NIK-13228, Bk. 52, p. 184).

The Kramatorsk plant was officially taken over by Krupp shortly thereafter (Exh. 1393, NIK-6057, Bk. 52, p. 85; Exh. 1412, NIK-3902, Bk. 52, p. 166).

An additional project was undertaken by the Krupp Concern in connection with the Mariupol plants. The Army High Command had proposed that the Krupp Concern assume responsibility for the setting up management and administration of a huge munitions plant to be operated by Krupp and other firms as sub-contractors to Krupp. The Army High Command and the Krupp Concern conducted extensive negotiations concerning the financing of the new plant, the formal nature of the business enterprise, the relationship of this plant and the sponsor plants taken over from the BHO and allied problems. Throughout these negotiations it was always emphasized that the Krupp Concern was to be the responsible managing and administrating head of the new enterprise, regardless of the form which the enterprise might take (Exh. 1385, NI-858, Bk. 52, p. 37; Exh. 1389, NIK-5993, Bk. 52, p. 47; Exh. 1409, NIK-3894, Bk. 52, p. 162). It was finally agreed in accordance with a proposal formulated by the Krupp Concern that Krupp should establish a private limited liability company (G.m.b.H.), completely independent of the BHO and the sponsor firms, to be financed by Army High Command credit (Exh. 1385, NI-858, Bk. 52, p. 37; Exh. 1389, NIK-5993, Bk. 52, p. 47). Financing of this

enterprise was arranged before the legal formalities necessary to set up the new firm would be completed (Exh. 1390, NIK-6054, Bk. 52, p. 50). The Sartena, G.m.b.H., was established in Essen on 27 February 1943 (Exh. 1397, NI-862, Bk. 52, p. 100); and advisory council (Beirat), consisting of two Army ordnance officials, one Army Finance official, Lwowski, Mueller, Eberhardt and Rosenbaum of Krupp, was elected and subordinate Krupp officials were appointed managers (Exh. 1398, NIK-6056, Bk. 52, p. 102). At the first meeting of the Beirat, held in May 1942, at the Krupp offices in Berlin, Colonel Henrich of Army Ordnance Office was appointed chairman and Korschach, who had been added to the Beirat, was appointed vice-chairman (Exh. 1399, NI-748, Bk. 52, p. 107).

At about the same time as the negotiations for the Mariupol and Kramatorsk plants were initiated, Krupp became actively interested in another plant in the Ukraine, the Molotov-works near Dnjepropetrowsk. On 21 August 1942, Hermann of Krupp Stahlbau forwarded a report to Janssen in Berlin concerning this plant.

In this report Hermann stated:

"I was confidentially informed in Berlin of the following: A general opinion seems to prevail, that for the reconstruction of the raw-materials industry, such as coal mines, power plants and foundries, one prerequisite must be set forth, i.e. the establishment of assembly and repair installations which under German management and with Russian workers would carry out this work... lease contracts will be concluded, and the German firms themselves are to bear the necessary costs of investment. This apparently differs from the foundries, where the German Reich is bearing the repair costs. If later the lease contract should not lead to ownership, the costs of investment will be repaid. Therefore greatest speed seems to be advisable now. After a discussion with Dr. Loeser and Dr. Janssen on 19 August in Berlin, Dr. Engelking and a member of our plant, perhaps Mr. Muth, will be sent immediately to Russia with the object of securing from the military authorities of the occupied territory the appointment of Krupp-Stahlbau in larger steel-construction factory, by which measure this would become an established fact, when the plants are to be allocated later on. This procedure was also discussed yesterday with Dr. Celert who had no objections, but who advised us not to talk about the matter to outsiders.

"We are interested, in the first place, in the Molotov plant which according to the descriptions given by members of our firm, would be suitable; large halls, situated near a large, navigable, river, output about 5,000 tons. At Dnjepropetrowsk itself we have two large construction sites, East Bridge and West Bridge. Some members of our firm are already working there who have placed large orders with the Molotov plant. In short, a small starting point is already existent" (Exh. 1382, NIK-8810, Bk. 52, pp. 24, 27, 28).

Engelking reported on the results of his activities in connection with the mission on 23 September 1942 in a written note and verbally to Loeser. His report, which was made a special topic of conversation between Loeser and Alfried Krupp, stated:

"Subject: Molotov plant"

"On the invitation of Min. Rat Dr. TerNedder a meeting took place in the Ostministerium today.

* * * * *

"We are now faced with the task to establish in Russia a place of production for the enormous need of detachable bridges, which will exceed 100,000 tons by the end of 1943, in order to relieve the production, concentrated in the West of the Reich. Since the Molotov plant nearly exclusively produced serial bridges in former times, it should be especially suited for the construction of detachable bridges, which the Office for Armament and the Reich Ministry for Transportation want to have produced.

"Since the steel construction of Krupp leads and determines the policy with regard to these two types of bridges with which this plant is especially concerned, the competent agencies consider us especially fitted to take over the sponsorship for the "Molotov" plant.

* * * * *

"Recently we were also asked by the OKW to determine from which date onwards we could accept in the East orders for naval vessels made from steel.

"The result of several weeks investigation by Herren Engelking and Schumacher, proves that the equipment of other workshops would by no means be suitable for the taking up of the construction of detachable bridges. The plants for steel construction which recently were handed over to Krupp as trustee were also examined.

"The steel construction plants belonging to the Krupp-Konzern, by virtue of their organization, their production capacity and above all due to their recently completed conversion will be able to favorably influence the Molotov plant in every respect and to reach the target set by the customers.

"These statements could not be contradicted and also the gentlemen from the Berghuette Ost could not raise any objections regarding the taking over by Krupp. The matter now shall be submitted to Dr. Schlotterer for his decision" (Exh. 1386, NI-3895, Bk. 52, pp. 42, 43).

With the consent of Schlotterer of the Ostministerium (East Ministry), added to those of the Reich Commissioners for the Ukraine and the Commissioner for Dnjepropetrowsk, approval of operation of the Molotow-Works by Krupp Stahlbau was granted by the Ostministerium (East Ministry) on 8 October 1942 (Exh. 1386, NI-3895, Bk. 52, pp. 42, 43). Nevertheless, Krupp Essen was obliged to use its close relations with the Chief of Army Ordnance to prevent revocation of such approval and assignment of the Molotow-Works to other German firms. In supporting Krupp in the matter, General Leeb, Chief of Army Ordnance, stressed, among other things, the importance placed on the bridge-construction program by Hitler himself (Exh. 1391, NIK-3898, Bk. 52, p. 78).

c. Activities after Acquisition

As soon as the sponsorship of particular plants in Russia was assured, steps were taken to re-establish the plants. Alfried Krupp, Korschach, Twowski and other Krupp officials travelled to Russia to inspect the plants (Exh. 1406, NIK-10330, Bk. 52, p. 151; Exh. 1420, NIK-13228, Bk. 52, p. 184; Exh. 1384, NIK-8437, Bk. 52, p. 35). Krupp personnel was sent to Russia to take part in the management of plants (Exh. 1383, NIK-8062, Bk. 52, p. 33). On 14 September 1942, Houdremont recommended to Alfried Krupp, Goerens and Loeser that a "Secretariat Russia" should be established in Berlin to assist in dealing with officials (Exh. 1411, NIK-13170, Bk. 52, p. 165). Alfried Krupp and Loeser, for the Essen Direktorium, instructed all offices, subsidiaries and affiliated companies to channel all important correspondence to a designated office in Gusstahlfabrik, so that up to date information would be available at all times (Exh. 1390, NIK-13443, Bk. 52, p. 54).

After the sponsorships were approved, the Direktorium advised all agencies of Krupp that they must lend their most active support to the Krupp representatives charged with resumption of operations in Russia and special offices were designated for each sponsorship (Exh. 1412, NI-3902, Bk. 52, p. 166).

In a conference attended by Loeser and Janssen on 22 December 1942, it was decided to consolidate sales and distribution agencies of all Krupp works into a Main Office Ukraine, to be controlled by Gusstahlfabrik, Essen. This office was required to coordinate with the Main Office, Berlin, on all questions concerning governmental authorities. All negotiations with Berlin official agencies remained with the Main Office Berlin under Janssen in keeping with the position of this office in the Krupp Concern (Exh. 1414, NIK-13376, Bk. 52, p. 169).

The military reverses of Germany in the Ukraine did not permit the large programs which Krupp had taken upon itself to reach fruition. However, the extent of Krupp's accomplishments at Mariupol may be gauged from the activities during its evacuation. Large quantities of Iwan machines (the name used for the munition plant project) were evacuated. Krupp was instructed to remove a turbine and 8,000 tons of chrome-nickel steel, and the organization Schu was to remove 10,000 additional tons. Great pains were taken to demolish the plant because of its significance to the Russians (Exh. 1421, NI-6371 (EC-38), Bk. 52, p. 185). The Kramatorsk plant was in need of extensive repairs when taken over by Krupp. Yet it was producing mining machinery and hauling gear - a top priority demand before the end of 1942 (Exh. 648, NI-4332, Bk. 19, p. 61). . . The activities of this plant were described at length in a report compiled by the deputy plant manager which was sent to Alfried Krupp, Erich Mueller and Korschan. Despite the interruption caused by the recapture of the plant by the Russians in the winter of 1942-1943 and the removal of truckloads of tools and material

by the German army upon their return in March 1943, the plant was able to report in August 1943 noteworthy production achievements for the German war effort. Tools produced by this plant were described by government officials as the "top product of the Donez area". Emergency bridges were constructed for army use and the first units delivered were evaluated as "very good" in contrast with the products of other firms by the receiving organizations. These and other war production projects were suspended in order to enable the plant to concentrate on a tank maintenance program, which had been suggested to the Army High Command by the plant management (Exh. 1400, NI-2959, Bk. 52, pp. 115-117). Inspection of the plant by Pleiger led to expressions of appreciation by him of the accomplishments in war production and offers by BHO for Krupp to assume control of an additional plant (Ibid). When the Kramatorsk plant was to be finally evacuated one hundred freight cars were allocated by the military economy staff to remove machinery, industrial equipment and materials from the plant. Krupp itself requisitioned 280 freight cars for the same purpose. The rapidity of the German withdrawal, the lack of available freight cars and manpower interfered with full execution of the planned stripping of the plant. Consequently, extensive demolition work was carried on to render useless everything which had not been removed (Exh. 1402, EC-209, Bk. 52, p. 132).

d. Summation

The basic decrees and regulations pursuant to which the German authorities seized and administered Russian industrial property called for the unrestricted exploitation of such property for German war production without regard to the needs of the occupation or the ability of the country to bear this drain on its resources. The same directives asserted the title of the Reich to all public industrial property in Russia and the complete power

of disposition as well as use of such property. The ultimate disposal of this property to private German firms as a means of integrating the Russian economy into the German economic program for Europe was contemplated. This assertion of title completely ignored the obligation of an occupying power to administer public property only as an usufructuary. The Krupp firm, with knowledge of the basic facts which made the seizure by the Reich unlawful, sought and obtained sponsorship over Russian industrial plants which had been so seized. By virtue of these acts the Krupp concern contributed to and participated in violations of the provisions of the laws of warfare which restrict the use of public industrial property to the needs of the occupation in proportion to the resources of the occupied country and to administration of such property only as an usufructuary.

After taking over the plants in Mariupol and Kramatorsk, the Krupp concern undertook to convert these plants and to put them in operation for maximum production for war uses. In a limited period of time the efforts of Krupp were rewarded by the actual production of war material, including equipment for the combat troops, utilizing raw materials as well as the productive facilities of the occupied territory. These activities constituted direct participation in the execution of the illegal utilization of Russian industrial property and resources for uses bearing no relation to the needs of the occupation and without regard to the local economy.

Prior to evacuation of these plants, the Krupp firm aided in stripping them of machinery, raw materials, finished and semi-finished industrial goods. The property removed did not fall into any category of movable public property which the occupant is authorized to seize under the Hague Regulations and the

participation of the Krupp concern in removal thereof was a direct violation of the laws of warfare. The same activities, plus the assistance given by the Krupp management to the destruction of these plants, contributed to the violation of the requirement of the Hague Regulations that the capital of such properties be safeguarded and administered in accordance with the rules of usufruct.

e. Individual Participation

Alfried Krupp conducted the negotiations with Pleiger concerning the taking over of the plant sponsorships in Russia (Exh. 1405, NIK-11669, Bk. 52, p. 147; Exh. 1420, NIK-13228, Bk. 52, p. 84). He and Loeser, as well as Houdremont, played important roles as regards the decisions which were reached by the Krupp firm concerning this matter (Ibid; Exh. 1404, NIK-11398, Bk. 52, p. 139; Exh. 1383, NIK-8062, Bk. 52, p. 33). Correspondence with persons outside the Krupp firm concerning policy matters involved in the Russian transactions was conducted by Alfried Krupp (Exh. 1392, NIK-3905, Bk. 52, p. 86; Exh. 1393, NIK-3905, Bk. 52, p. 85; Exh. 1419, NIK-13994, Bk. 52, p. 183). Loeser was advised of the more important correspondence (Exh. 1419, NIK-13994, Bk. 52, p. 183). Recommendations within the firm regarding policy were addressed to and discussed with Alfried Krupp and Loeser (Exh. 1409, NIK-3894, Bk. 52, p. 162; Exh. 1413, NIK-3904, Bk. 52, p. 167; Exh. 1411, NIK-13170, Bk. 52, p. 165). The plans for the Molotow Works were given special attention by Alfried Krupp, Loeser and Janssen (Exh. 1382, NIK-8810, Bk. 52, p. 24; Exh. 1386, NI-3895, Bk. 52, p. 42). Korschach, who was selected to actively manage Kramatorsk, participated in the early decisions on this acquisition (Exh. 1383, NIK-8062, Bk. 52, p. 33) and was necessarily advised on subsequent developments (Exh. 1420,

NIK-13228, Bk. 52, p. 84; Exh. 1408, NIK-9524, Bk. 52, p. 156). He also participated in and was advised of negotiations concerning the sponsorship of the Mariupol plants which he subsequently managed (Exh. 1385, NI-858, Bk. 52, p. 37; Exh. 18, NIK-9222, Bk. 1, p. 78). Eberhardt was in charge of all negotiations concerning the setting up of the Sartena munition plant at Mariupol and participated actively in the negotiations for the sponsorship of the Mariupol steel plants (Exh. 1385, NI-858, Bk. 52, p. 37). On financial matters concerning Sartena he reported directly to Loeser (Exh. 1389, NIK-5993, Bk. 52, p. 47). Eberhardt, Korschan and Erich Mueller as members of the Beirat of Sartena participated in its meetings in conjunction with army officials (Exh. 1399, NI-748, Bk. 52, p. 107). Pfirsch participated in conferences on this program (Exh. 1385, NI-858, Bk. 52, p. 37), and was advised of its progress (Exh. 1390, NIK-6054, Bk. 52, p. 50). As head of the Berlin office, Janssen supervised all liaison activities and the importance of this role within the firm was stressed to other Krupp officials (Exh. 1414, NIK-13376, Bk. 52, p. 169; Exh. 1411, NIK-13170, Bk. 52, p. 165). Houdremont displayed an active interest in the efficient operation of the Russian sponsorships (Exh. 1411, NIK-13170, Bk. 52, p. 165). Houdremont and Erich Mueller took part in the plans to evacuate machinery from the Russian plants (Exh. 1411, NIK-13170, Bk. 52, p. 165). The latter, Korschan and Alfried Krupp were kept posted on the production and plant problems at Kramatorsk (Exh. 1400, NI-2959, Bk. 52, p. 115). Korschan, because of his managerial functions at Kramatorsk and Mariupol and through his numerous trips to Russia was most fully acquainted with the activities in these plants (Exh. 1408, NIK-3524, Bk. 52, p. 158; Exh. 18, NIK-9222, Bk. 1, p. 78).

C. Exploitation of Mineral Resources

1. General description of activities.

The initial successes of Germany in taking over new territories was followed by the fullest exploitation of the mineral resources of the occupied territories in order to feed the German war machine. Economic organizations in which a number of the defendants played important roles were active in recommending, planning and executing such exploitation. From these as well as other sources, the defendants obtained information which provided them with knowledge of the illegal purpose and scope of the entire program of extracting the mineral resources of the occupied countries throughout Europe. At a meeting of the Kleiner Kreis (Inner Circle) in June 1940 at which Loeser represented Krupp it was the unanimous opinion of all present that iron ore stocks in the occupied western countries which had been seized by the Confiscation Commission of the Wehrmacht should be assigned to the Steel Works Association (Stahlwerks-Verband) for further distribution in Germany. (Exh. 643, NI-048, Bk. 19, p. 15, 18). In July 1940, the Working Committee for the Four Year Plan of the Association of German Iron and Foundry Men, headed by Goerens with Houdremont as his deputy, contemplated the exploitation of the tremendously increased ore stocks and blast furnace capacity made available by German victory in Luxemburg, Belgium, Lorraine and Northern France. (Exh. 554, NI-3997, Bk. 16-C, p. 78, pp 89 et seq). One of the principal tasks of the Reich Association Iron, (RVE) which was established in 1942 (Exh. 585, NI-1967, Bk. 17, p. 5), and in which the defendant Alfried Krupp was Deputy Chairman, was to obtain the maximum production of iron to meet the demands of armament production from the occupied territories, as well as from domestic German sources (Exh. 587, NI-4901, Bk. 17, p. 13). For this purpose, Hermann Roechling, as Chairman of the Reich Association Iron, was appointed by Goering as "Reich Plenipotentiary for Iron

and Steel in the Occupied Territories." (Exh. 589, NIK-11192, Bk. 17, p. 21). In September 1942, the defendant Alfried Krupp, as Deputy chairman of the Reich Association Iron, set up the Central Committee for Raw Material and Transportation, with himself as chairman in order to control the shipping and allocation of raw materials. Special assignments were made by him to handle correspondence with foreign ore suppliers throughout Europe, and among the committees established was the Regional Committee East, comprising Upper Silesia, the Reich Protectorate and the Government General of Poland (Exh. 595, NI-3873, Bk. 17, p. 34). In setting up its raw material and production programs, the Reich Association Iron included the raw material sources in the occupied territories (Exh. 633, NIK-12133, Bk. 17, p. 210; Exh. 636, NIK-12556, Bk. 17-A, p. 4).

The Berg-und Huettenwerke Ost, of which the defendant Alfried Krupp was a member of the Verwaltungsrat, was established in Russia for several purposes including coal and iron mining. In its first Business Report, covering the period until the end of 1942, which was distributed to the membership of the Economic Group Iron Producing Industry, it reported sales of ores of every variety from Russia to the German metal industry and chemical industry "for use in connection with the war economy," including inter alia 325,751 tons of iron ore, 6,906 tons of chromium ore, 20,145 tons of manganese ore and 52,156 tons of scrap (Exh. 648, NI-4332, Bk. 19, pp. 48, 49). The mining of manganese ore in Nikopol was given the highest priority because of the urgent necessity for this ore for the conduct of the war (Ibid, pp. 52, 53). The Business Report of the Krupp Dezernat for Raw Material Procurement and Exchange for the same year specifically describes the favorable development of deliveries of manganese ores from the Nikopol area to Krupp in such quantities that difficulties were encountered in providing storage space (Exh. 638, NIK-12848, Bk. 17-A, pp. 15, 16). Overall allocations by the Reich to Krupp of metal ores from the occupied