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Affidavit.
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I,

Kurt Biegi, born 28 August 1904 at Bamberg,
resident Bamberg, Hauptwachstrasse 11,

former Prokurist with the Elmag works Elsaess. Maschinen-
bauges. m.b.H. (Elmag GmbH) at Muelhausen/Alsace, now
business manager of the Suedwerke G.m.b.H. at Bamberg,
which is the legal successor of the Elmag G.m.b.H., know
that I render myself liable to punishment by making a
false affidavit. I declare on oath that my statements
are true and were made in order to be submitted as evidence
to the Military Tribunal at the Palace of Justice Nuernberg.

In view of my belonging to the Krupp motor vehicle
shop since 1935 I am generally informed about the history
of the transfer of this Motor Vehicle Shop from Essen to
Muelhausen in Alsace and from there to Franconia and am able
to give, in outline, the following description of it:

The Motor Vehicle Shop of the firm Friedrich Krupp
in Essen (Krawa) was destroyed by air attack on 5 and
12 March 1943. Pursuant to a transfer order by the army
high command work was started at the end of March/beginning
of April on the moving of the plant of the Krawa into
the rooms of the "Elmag Elsaessische Maschinenbau A.G."
(Elmag A.G.) in Muelhausen. Side by side with this
transfer of the technical plant

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the negotiations initiated by the army high command by their transfer order concerning the conclusion of a lease agreement were also conducted, with the firm of Krupp as leaseholder and the firm Elmag A.G. as lessor

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The Elmag A.G. had the following history:

In Muelhausen, Alsace there existed a "Societe Alsacienne de Constructions mechaniques" (S.A.C.M.), which in peace time had worked on the production of textile machines and other machines. After the occupation of the Alsace by German troops and after the appointment of a German chief of the civil administration in Alsace, this French Aktiengesellschaft was placed by the latter under the management of two German commissioners, Herr Dalmer and Herr Dr. Schumacher. Temporarily also a Herr Ochel is said to have acted as a commissioner. The commissioners during the period from 1940 up to spring 1943 switched the production of the firm to a great extent to the manufacture of war material. For this war material production large purchases of machines were made by the commissioners. The firm headed by the commissioners went under the name of "Elmag Elsaessische Maschinenbau A.G." and was a legal entity according to the German laws in force since 1940.

During the lease negotiations with the firm of Krupp, therefore, the two commissioners and the chief of the civil administration

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appeared in Strassburg as legal representatives of the Elmag A.G. A special company was founded by the Friedrich Krupp firm for the purposes of leasing and managing the firm in Muelhausen and this was given the name of "Elmag Werke Elsass-Maschinenbauges. m.b.H. (Elmag G.m.b.H.). This explains why the preliminary agreement on the lease arrangement dated 31 March 1943 was concluded by the chief of the civil administration on the one hand and the firm of Fried. Krupp on the other whilst the final lease contract dated 5 July 1944 was concluded by 4 signatories, namely the chief of the civil administration in Alsace and the Elmag A.G. as lessor, while the Elmag G.m.b.H. and the firm Fried. Krupp were named as leaseholders.

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There were no doubts as to the right of the chief of the civil administration and of the commissioners appointed by him to conclude such a lease agreement.

The negotiations for the lease agreement were very lengthy, particularly because the commissioner of the Elmag A.G. Herr Dalmer, thanks to his very secure political position was able to enforce his wishes very energetically. This was especially evident during the fixing of the lease price. In this I personally held the point of view that only a lease price of 1,3 million Reichsmark per annum was warrantable. Herr Eberhardt, who conducted the negotiations, however, very generously met the Herr Dalmer's demands and

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agreed to a lease price of 2,5 million Reichsmark. Herr Habermaas, at that time director of the Elmag G.m.b.H., intimated to Herr Eberhardt his refusal to accept the responsibility for this extraordinarily high lease price and I recall, that he told him at the time: "If so much rent is to be paid, do not expect profits from me.--"

In the course of the negotiations it soon became obvious that Herr Dalmer wanted to gain something for himself personally; therefore, finally, a very generous payment of RM 50,000.-- for Herr Dalmer was included in the lease agreement.

The lease agreement included the whole of the firm of the Elmag A.G. in the Alsace (excluding the enterprise at Grafenstaden, which had previously been sold by the commissioners). The production of the Elmag A.G. was to be continued while the Krawa from Essen, with its motor vehicle production, moved into the firm. For simplicity's sake the old production of the Elmag A.G. was called Machine construction ("Maba") and the Vehicle manufacture "Krawa".

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The Maba production, at the time that the plant was taken over by the Elmag GmbH., thanks to the switch-over already undertaken by the commissioners, comprised at most 40% of the old machine production of which only a fraction was the manufacture of the traditional

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textile machines. Otherwise the Maba production was the manufacture of war material. In keeping with the contractual obligations undertaken in the lease agreement, the Elnag G.m.b.H. has administered the whole of the firm with the care of a good merchant "with the greatest possible care of the stocks of the Elnag A.G. and its structure up to that time".

Naturally the production of textile machines decreased even more, not only because the German officials allocated raw materials for such peace time production only to a very limited extent, but also because the former export market for these Alsatian textile machines had been lost as a result of wartime conditions.

For a guarantee of the interests of the Elnag AG provision had already been made by the fact that Herr Dalmer remained in Muelhausen in Alsace and the Frenchmen, Herr Jacquemin and Herr Perdrizet who had already held leading positions in the SACM, offered their services as Procurists of the Elnag G.m.b.H. - The second commissioner of the Elnag AG, Herr Dr. Schuhmacher was now working as manager, in particular for the Maba production within the Elnag G.m.b.H.

The plant of the whole firm was modernized and extended

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at great expense by the Krupp Elmag G.m.b.H. so that this had to result in great commercial advantages for the firm. Here, among other things, the following should be mentioned:

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The change-over from the entire obsolete invoicing procedure to new accounting methods, the installation of modern telephone equipment valued at more than 220.000 Reichsmark the extension of the winch-production in the plant department at Jungholz, the extension of the foundry in the Massmuenster shops and considerable economic and social investments in the main works in Muelhausen. For the repair of the buildings and installations of the Elmag A.G. more than 3 Million Reichsmark were spent: for the works kitchen, fire brigade etc. more than one million Reichsmark; and all that in a lease period which had extended only over about 1 1/2 years.

Great care was taken with the property and the plant installations of the Elmag AG. When on the occasion of the Motor vehicle shop moving in from Essen, in accordance with the agreements with Herr Dalmor and Dr. Schunacher parts of buildings had to be cleared, the manufacture of which was in any case at a standstill, machines, drawings, material, etc., as far as I know did not suffer any damage and they were stored in such a manner that when the time came they could immediately be installed again.

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The French engineer Perdizet, leading employee of the former SACM, bore joint responsibility for this duty. The materials on hand which, in accordance with the lease agreement, were to be bought by the Elmag G.m.b.H. from the Elmag A.G. were paid for with RM 13,380.954.-- i.e. almost the full amount asked for by Herr Lalmer. The small balance concerned chiefly the evaluation of property which had been earmarked by the commissioners of the Elmag A.G. for a scrapping.

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Care was taken that there should be a clear division of the property machines and plant installations-between the Maba- and the Krawa-manufacture. This did not prevent the fact, that, after having been duly marked in the lists, if necessary some plant installations were exchanged. So some machines from the Krawa-property were taken over for the Maba-production and from the property of the Elmag A.G. in a few isolated cases, for the Krawa-manufacture.

The wages of the Alsatian employees were raised to the same level as those of the corresponding German employees. Similar concessions were also made in respect of Alsatian laborers. The social institutions were available equally to all members of the plant.

Those exemplary measures of the firm

C O P Y

of Krupp resulted in even Alsatians who did not like us politically, stating that Krupp should have come 2 years sooner, then many misunderstandings in Muelhausen would have been prevented. when the end of the war was clearly visible to all reasonable persons, in Germany as well as in the Alsace 2 opposing interests were evident: one interest was the wish of the justified security of economic means of production and of goods from the ever closer approaching fighting front; the other interest was the extra ordinary fear of the functionaries of the responsible German ministries to show at that ^{any} time/signs of defeatism, an attitude which, at the time, was looked upon as a crime, which could be punishable by death without trial. Especially the German offices in the Alsace tried to evade every measure which could be interpreted as defeatist behavior. This explains why the Elmag G.m.b.H. at their request had already

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received a transfer order from the Reich minister for armament and war production (special committee tractor-production in the main committee for motor vehicles) dated 2 September 1944, while the chief of the civil administration Strassburg opposed the

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removal of the various types of production. He was perhaps also afraid of the political and moral effects of such a transfer on the Alsatian population becoming known.

Eventually the evacuation order by the Armament Inspection, Oberrhein dated 13 September 1944, was transmitted to us.

During the precipitated dispatch of the more than 1,000 machines of the Krawa it is true that 9 machine tools and a quantity of smaller equipment not belonging to the Elmag G.m.b.H. (i.e. not even 1% of the total moved), were shipped as well. That this was a mistake in dispatch is clear from the fact that within the works of the Elmag G.m.b.H. instructions had been given that all removal of Elmag property from the Muhlhausen, Maasmuenster, and Jungholz shops was subject to express permission by the Elmag A.G. or the Chief of the Civil Administration. This machinery has meanwhile been returned to Alsace.

With reference to the approximately 100 machines, which had to be forwarded at the time for the Mitteldeutsche Stahlwerke to Groeditz by the Elmag, the factual and legal situation was different. In this case the evacuation order by the Armament Inspection Oberrhein for the manufacture of the 8.8 cm pedestal and gun-carriage production applied. This production already came under the "Maba" production of the Elmag A.G.

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taken over by us on lease.

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Since the Elmag G.m.b.H. had no title to this machinery we adopted
one of these
the view that ~~that~~ machines would be moved by us without the consent
of the authorised persons, as laid down in article 2,
section 2 of the lease of 5 July 1944. The literal copy of a letter
written to this effect by the management of the Elmag G.m.b.H.
on 14 September 1944 has been attached as an integral part of this
affidavit. Hence the contractual conditions defined in article 2
section 2 of the contract were complied with. The transport of
the machines to Groeditz was started only after this consent had
been given. Those machines by the way were, to a great extent those,
which never had been French property.

The cooperation with the Alsatian complement was very good up to
the end. When, on 20 November, the American troops had already advanced
westwards far beyond Alhausen and then the last German
employees left the works at night they heard from their
Alsatian fellow-workers only friendly parting words.

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Meanwhile the Krawa production was continued in Kulmbach and Nuernberg by the Suedwerke G.m.b.H., whose administrative centre is Bamberg. I assume that the firm in Muelhausen has gone back into the hands of the S.A.C.M. The Suedwerke have placed ^{all available documents} at the disposal of the French Military Commissions so that the S.A.C.M. can once more gain possession of these machines and plant installations, which by order of the German offices had to be shifted from Muelhausen at the end of 1944.

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In addition at Muelhausen not only were considerable old stocks of the Elmag A.G. for which we had already paid left behind, but also large stocks of the Maba-production. These stocks represent a value of RM 11,332,515.-- which I presume will go to the French S.A.C.M. The repurchase of the stocks by the Elmag AG. as planned in article 8, section 2 of the lease contract did not come about, owing to the rapid developments of the war, so that the Elmag G.m.b.H. remained without refund. Further the Krawa-production left behind in Alsace machines and stocks to the value of RM 3,832,558.-- . This concerned among other things machines

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which, in
/the hurry of the exodus were not taken along.

The S.A.C.M. will now not only regain possession of its restituted machines, but also those of our machines which were left behind are at its disposal and also very valuable metal material. From those stocks which were left a multiple of the casts for restoring the plants could be realised without any difficulty.

In conclusion I should like to say that the behavior of the firm of Fried. Krupp through its Elmag G.m.b.H. in Luechhausen was based on the greatest possible care and correctness, so that from its lease agreement there with local firms economic advantages for the future would be derived rather than any losses which were caused, in any case, by the catastrophic events of the war.

Bamberg, 30 March 1948.

signed: Kurt Biegi

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No. 3008

I hereby certify the authenticity of the signature overleaf of the commercial manager Herr Kurt Biegi resident in Bamberg Hauptwachstrasse house Nr. 11.

Bamberg, 2 April 1948

signed: Dr. Tedt
Notary

(Stamp):

Dr. (Christian name illegible)
Tedt
Notary at Bamberg

Fee Registration No. 3008
Value: RM 3,000.--
4.-- Notary Art. 39.--
0.10 Turnover tax
4.10 total

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Annex:

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To the

Chief of Civil Administration in Alsace
Attention of Prof. Furler

17b Strassburg
Bismarckplatz 4

(Finance and Economy Department)

Management

Bi/Due 14 September 1944

Subject: Transfer of part of the Elmag production.

Dear Professor:

We have today informed you that we received through the Strassburg Armament Inspectorate, a Transfer Instruction (Vorlegungsbescheid) applying largely to machines which we have leased from the Elmag AG. You promised to inform us in the course of the afternoon whether these machines could be dismantled without further arrangements. We shall promptly send you a precise list of the machines subject to the present Transfer Instruction. Unfortunately Herr Dalmer could not be reached. Please give us at the same time your approval for the A.G. as well if possible. We again emphasize - as already confirmed by telephone - that we shall act in accordance with your instructions. The location of the machines will remain unchanged until information is received concerning the opinion held by Minister President Koehler.

Elmag Alsace Works

Maschinenbaugesellschaft m.b.H.

(signed) Biegi (signed) Collignon

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The Chief of Civil Administration
in Alsace

Strassburg,
19 September 1944
Bismarckplatz 4

Finance and Economy Department

Transfer of part of the Elmag
production.

- Re: Your letter of 14 September 1944 Bi/Bue -

Approval is given for the movement of the machines
leased to you by the Elmag A.G. which are subject to
the transfer orders of the Reich Minister for Armament
and War Production or of the Chairman of the Armament
Commission. For the present the terms of the lease for
such machines continue in effect as heretofore. Unless
otherwise provided by contract the Elmag G.m.b.H., as
lessor remains responsible for these machines.

(signed): Kochler

To the

Elmag G.m.b.H.

M u e l h a u s e n
